MARY JO WHITE
United States Attorney for the
Southern District of New York
By: JANE A. LEVINE (JAL-3332)
Assistant United States Attorney
One St. Andrew's Plaza
New York, New York 10007
Tel. (212) 637-1063

Redacted Copy

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,	:	
Plaintiff,	:	96 Civ. 2527 (AKH)
v.	:	
A $20 GOLD COIN, KNOWN AS A 1933 "DOUBLE EAGLE" MINTED AT THE UNITED STATES MINT IN PHILADELPHIA, PENNSYLVANIA,	:	DECLARATION OF JANE A. LEVINE IN OPPOSITION OF CLAIMANT STEPHEN C. FENTON'S MOTION FOR SUMMARY JUDGMENT
Defendant-in-rem,	:	

JANE A. LEVINE, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I am an Assistant United States Attorney in the Office of Mary Jo White, United States Attorney for the Southern District of New York, and am responsible for the prosecution of the above-captioned case. I make this Declaration in opposition to claimant's motion for summary judgment.

2. The attached exhibits are true copies of the following:

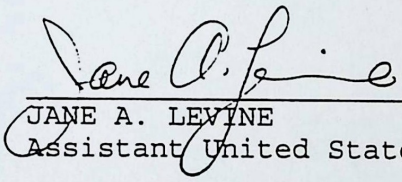
Exhibit	Description
A	Stipulation of the facts of Barnard
B	Excerpt from the 1934 Annual Report Of The Director of the Mint
C	March 21, 1944 letter to the Director of the Mint
D	Excerpt from the Domestic and Foreign Coins Manufactured by Mints of the United States 1793 - 1980
E	October 9, 1934 letter to the Director of the Mint
F	April 6, 1944 Treasury Department Memorandum
G	Secret Service Report, March 27, 1944
H	March 16, 1944 Letter from Stack's Numismatists
I	Secret Service Report, March 29, 1944
J	Statement of Israel Switt
K	Secret Service Intermediate Report, April 1, 1944
L	Treasury Department Memorandum Report, April 5, 1944
M	Secret Service Report, April 5, 1944
N	Certified Inventory of Property
O	Secret Service Report, September 2, 1947
P	Secret Service Form 1588, August 15, 1956

Exhibit	Description
Q	Secret Service Report June 25, 1945
R	Secret Service Report May 5, 1944
S	Secret Service Intermediate Report April 21, 1944
T	Secret Service Intermediate Report May 19, 1944
U	Statement of Willard S. Boyce June 6, 1944
V	Secret Service Report October 13, 1944
W	Secret Service Summary Report July 15, 1944
X	Secret Service Intermediate Report April 7, 1944
Y	Secret Service Intermediate Report May 13, 1944
Z	Secret Service Intermediate Report May 12, 1944
AA	Secret Service Intermediate Report May 30, 1944
BB	Secret Service Report June 23, 1944
CC	Secret Service Intermediate Report October 20, 1944
DD	Secret Service Intermediate Report November 4, 1944
EE	Secret Service Intermediate Report November 16, 1944

Exhibit	Description
FF	Secret Service Summary and Final Report November 24, 1944
GG	Secret Service Office Memorandum September 23, 1952
HH	February 6, 1945 Letter to the Secret Service from the U.S. Attorney's Office
II	Excerpts from the deposition of Andre de Clermonte
JJ	Various Department of State Instructions to and Communications with the American Embassy in Cairo
KK	House Report for the Coinage Act of 1965
LL	Senate Report for the Coinage Act of 1965
MM	Section 43 of the Act of May 12, 1933
NN	Excerpts from the January 9, 1997 deposition transcript of Larry Baker
OO	Excerpts from the August 1999 deposition transcripts of Stephen Fenton
PP	Customs Entry Form
QQ	Draft transcripts of recordings of Jasper Parrino, Jack Moore and Stephen Fenton
RR	Secret Service Report January 11, 1996
SS	Post Arrest Statement of Stephen Fenton

Exhibit	Description
TT	Post Arrest Statement of Jasper Parrino
UU	August 26, 1999 Letter to AUSA Jane A. Levine

Dated: New York, New York
March 3, 2000



JANE A. LEVINE
Assistant United States Attorney

Filed
6-16-4
11:10 A.

IN THE DISTRICT COURT OF THE UNITED STATES

FOR THE WESTERN DISTRICT OF TENNESSEE

WESTERN DIVISION

UNITED STATES OF AMERICA, Plaintiff	)	
VS	)	CIVIL ACTION NO. ~~1196~~ 898
L. G. BARNARD, Defendant	)	

STIPULATION

It is stipulated by and between counsel for plaintiff and counsel for defendant herein:

That the only twenty-dollar Double Eagle gold coins minted in 1933 were minted in Philadelphia and were identical with the one involved in this suit. That later this mintage was ordered melted into bars; that the weight of all gold coins of all issues in possession of the mint, was the same as the weight of the bars, resulting from the melting, except for two Double Eagles which were placed in the Smithsonian Institute, where they are at the present time. That at the time of melting, the records of the mint indicated the presence of 445,469 Double Eagles, dated 1933. The total mintage of 1933 Double Eagles was 445,500. That 29 were destroyed by testing and by the Assay Commission and two were placed in the Smithsonian Institute, leaving the above balance of 445,469.

APPROVED: Charles R. McPhill

John R. Brown

ATTORNEY FOR PLAINTIFF

David Gearhart

ATTORNEY FOR DEFENDANT

ANNUAL REPORT OF
THE DIRECTOR OF THE MINT

FOR THE FISCAL YEAR ENDED JUNE 30

1934

INCLUDING REPORT ON

THE PRODUCTION OF THE PRECIOUS METALS

DURING THE CALENDAR YEAR

1933

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1934

For sale by the Superintendent of Documents, Washington, D. C. - - - - - - - - - - Price 75 cents (Cloth)

000003

Coinage of each mint during the past 10 calendar years

BY VALUE AND DENOMINATION

Mints	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	Total
PHILADELPHIA											
Gold: Double eagles	$86,470,000.00	$56,635,000.00	$16,335,000.00	$58,935,000.00	$176,320,000.00	$35,595,000.00		$58,765,000.00	$22,015,000.00		$511,090,000.00
Eagles			10,110,000.00						11,640,000.00	$8,910,000.00	63,680,000.00
Half eagles						3,310,000.00				3,125,000.00	6,435,000.00
Quarter eagles			1,615,565.00	970,000.00	1,010,000.00	1,330,000.00					4,955,565.00
Dollars											
Total gold	$86,470,000.00	$56,635,000.00	28,060,565.00	59,905,000.00	177,360,000.00	10,235,000.00		58,765,000.00	66,665,000.00	12,035,000.00	586,160,565.00
Silver: Dollars	11,811,000.00	10,198,000.00	1,039,000.00	848,000.00	360,619.00						25,156,619.00
Half dollars	71,010.00	1,248,101.00	524,279.00	20,017.00	30,018.00						1,893,758.00
Quarter dollars	2,730,000.00	3,070,000.00	2,829,000.00	2,978,000.00	1,581,000.00	2,785,000.00	$1,408,000.00		1,351,000.00		18,735,000.00
Dimes	2,401,000.00	2,561,000.00	3,216,000.00	2,808,000.00	1,918,000.00	2,597,000.00	677,000.00	315,000.00			16,523,000.00
Total silver	17,013,010.00	17,057,401.00	8,568,279.00	6,654,017.00	3,922,667.00	5,382,000.00	2,085,000.00	315,000.00	1,351,000.00		62,298,407.00
Minor: 5 cents	1,081,000.00	1,778,255.00	2,233,650.00	1,899,050.00	1,150,550.00	1,822,300.00	1,112,150.00				11,128,255.00
1 cent	751,780.00	1,399,190.00	1,570,880.00	1,414,400.00	1,361,160.00	1,852,620.00	1,604,150.00	193,960.00	90,620.00	113,600.00	10,362,660.00
Total minor	1,832,780.00	3,177,745.00	3,805,530.00	3,313,450.00	2,511,710.00	3,674,920.00	2,716,600.00	193,960.00	90,620.00	113,600.00	21,490,915.00
Total value	105,315,820.00	76,880,146.00	40,401,374.00	69,902,467.00	183,794,377.00	49,291,920.00	4,801,600.00	59,273,960.00	68,106,620.00	12,178,600.00	669,949,887.00
SAN FRANCISCO											
Gold: Double eagles	58,550,000.00	75,530,000.00	10,830,000.00	62,140,000.00			1,180,000.00				218,530,000.00
Eagles							960,000.00				960,000.00
Half eagles											
Quarter eagles											
Total gold	58,550,000.00	75,530,000.00	10,830,000.00	62,140,000.00			2,140,000.00				219,490,000.00
Silver: Dollars	1,728,000.00	1,610,000.00	6,980,000.00	866,000.00	1,612,000.00						12,816,000.00
Half dollars		100,111.00	50,027.50	1,196,000.00	910,000.00	934,000.00				893,000.00	4,160,111.50
Quarter dollars	715,000.00		675,000.00	99,000.00	661,000.00	411,000.00	389,000.00		102,000.00		3,052,000.00
Dimes	712,000.00	585,000.00	152,000.00	477,000.00	710,000.00	173,000.00	184,300.00	180,000.00			3,293,300.00
Total silver	3,155,000.00	2,295,111.00	7,857,027.50	2,638,000.00	1,001,000.00	1,865,000.00	573,300.00	180,000.00	102,000.00	893,000.00	23,561,411.50
Minor: 5 cents	71,850.00	312,500.00	48,500.00	171,500.00	316,500.00	287,100.00	271,750.00	60,000.00			1,539,900.00
1 cent	116,960.00	263,800.00	45,500.00	112,760.00	172,660.00	301,180.00	242,860.00	8,050.00			1,194,650.00
Total minor	188,810.00	576,600.00	94,000.00	311,260.00	519,160.00	589,180.00	514,610.00	68,050.00			3,165,550.00
Total value	61,893,810.00	78,401,714.00	18,781,027.50	65,092,260.00	1,522,160.00	2,454,180.00	3,527,910.00	248,050.00	102,000.00	893,000.00	296,217,961.50
DENVER											
Gold: Double eagles	60,990,000.00	58,770,000.00	9,620,000.00	3,600,000.00				2,130,000.00			135,110,000.00
Eagles											
Half eagles											
Quarter eagles		1,445,000.00								1,115,000.00	1,115,000.00
Total gold	60,990,000.00	60,215,000.00	9,620,000.00	3,600,000.00				2,130,000.00			136,555,000.00
Silver: Dollars			2,318,700.00	1,268,900.00							3,617,600.00
Half dollars						500,600.00					503,225.00
Quarter dollars	778,000.00		429,000.00	211,100.00	406,000.00	309,500.00			109,200.00	2,625.00	2,306,700.00
Dimes	681,000.00	511,700.00	682,800.00	481,200.00	116,100.00	203,100.00		1,[illegible],000.00			3,102,200.00
Total silver	1,459,000.00	511,700.00	3,460,500.00	1,901,200.00	824,000.00	1,013,500.00		1,[illegible],000.00	109,200.00	2,625.00	9,529,725.00
Minor: 5 cents	262,900.00	222,500.00	281,900.00	286,500.00	321,800.00	115,200.00					1,491,100.00
1 cent	25,200.00	225,800.00	280,200.00	271,700.00	311,700.00	117,300.00	101,000.00	11,[illegible]00.00	105,000.00	62,000.00	2,111,200.00
Total minor	288,100.00	448,300.00	562,100.00	558,200.00	633,500.00	815,800.00	101,000.00	11,[illegible]00.00	105,000.00	62,000.00	3,618,800.00
Total value	62,737,100.00	61,175,000.00	13,642,600.00	6,152,100.00	1,456,500.00	2,179,300.00	101,000.00	2,[illegible]00.00	214,200.00	64,625.00	150,523,525.00
ALL MINTS											
Grand total value	229,946,730.00	216,456,863.00	102,828,001.50	141,147,127.00	189,773,337.00	54,225,400.00	8,[illegible]0,210.00	61,[illegible],150.00	68,[illegible],820.00	13,116,225.00	1,086,190,151.50

000004

March 21, 1944

Director of the Mint
Treasury Department
Washington, 25, D. C.

Dear Madem:

Confirming our telephone conversation of last evening, the following reflects the book records of this Mint on the Double Eagles struck in 1933:

Delivers:	March	$2,000,000
	April	4,000,000
	May	2,910,000
		$8,910,000

9/13/34 Classified as uncurrent-	8,900,680	
	$9,320	Pyx *
	**8,740	" returned to cashier
	$580	
	$400	Specials to D/M
	$180	destroyed as coin by Com. on Assaying, Assay Commission 1934

*446 pieces reserve for pyx-$8,920
20 specials to D/M 400
$9,320

**446 pieces - pyx
9 " - used by Assay Committee-1934 Assay Commission
437 " or $8,740

Very truly yours,

HCM:mkm

Superintendent

MEMO: 2 pieces taken out acct. 10/2/34 and forwarded to Curator, National Museum, for coin collection

000416

Last shipment gold coin March 6, 1933:

T/O 590	Uncir.	D.E.	Federal Reserve Bank Cleveland	$3,000,000
588	"	"	" Res. Br. " Louisville	200,000
	"	Eagles	" " " " "	25,000
	" ½	"	" " " " "	25,000
581	"	D.E.	Fed.Res.Br. Bank, Baltimore	3,000,000
582	"	D.E.	Fed. Res.BR. Richmond	3,000,000
583	"	D.E.	Fed.Res.Br.Bk. Charlotte	1,000,000
587	"	D.E.	Tr.U.S., Washington	1,000,000
	"	Eagles	" "	500,000
	" ½	Eagles	" "	500,000

(See page III for coinage)

(None of the above coins 1933 issue)

McKernan's Vault Records , pgs 278, 281, 282

				Pyx
1933 Double Eagles Del.	7	$490,000	3/15	$5,000
	8	500,000	3/20	
	9	1,000,000	3/24	
	10	1,000,000	4/7	
	11	1,000,000	4/11	
	12	1,000,000	4/26	5,000
	13	1,000,000	4/27	
	14	1,000,000	5/8	
	15	1,000,000	5/15	
	16	910,000		
		$8,900,000		

Feb. 2, 1934	680.00	McKernan has a slip showing "received from the Cashier". This amount is added to total gold holdings, but no indication where placed or that it was ever placed under seal.
	8,740.00	Shown on page 573, marked "assay" and added to gold coin holdings (total) but no indication where placed or that it was ever placed under seal.
	$8,909,420	

COINER'S DELIVERIES TO THE CASHIER

1933 DOUBLE EAGLES

				Specials to Washington		
Mar. 15	1933 Del. No. 7	$500,000		2	$40.00	
20	8	500,000		2	40.00	
24	9	1,000,000		2	40.00	
			$2,000,000	6		$120.00
Apr. 7	10	1,000,000		2	40.00	
11	11	1,000,000		2	40.00	
26	12	1,000,000		2	40.00	
27	13	1,000,000		2	40.00	
			$4,000,000	8		160.00
May 8	14	1,000,000		2	40.00	
15	15	1,000,000		2	40.00	
19	16	910,000		2	40.00	
			2,910,000	6		120.00
			$8,910,000	20		$400.00

000419

SPECIAL COINS TO WASHINGTON - 1933

Double Eagles	20	$400.00
Eagles	12	180.00
		~~$620.00~~

$3,125,000. total Coined (Eagles)
~~(2,625,000 pieces coined)~~

Only special coin scrap returned from Washington during 1934 according to File clerk and Deposit Weigh Clerk as follows:

Letter from Washington dated March 22, 1934

39.69	tr. ozs.	standard	gold	scrap		
3.31	"	"	"	"	"	contained in 2.983 oz. cornets
43.00	"	"	"	"		

Value-$800

Deposit Weigh Clerk's record:

Assay #6744 43.00 38.700 D/M Gold Coin scrap

43.00 ozs. @ 900 -38.700 fine ozs. Revalue @ $35 $1,354.50

40 pcs. D. E. @ 1.0750 = 43.00 troy ounces

40 pcs = $800.00

- - - - -

Value or weight does not tie in-

St. wt. D.E. 1.0750 tr. ozs. x 20 pcs =	21.50	tr. ozs.
" " Eagles 258 grs. x 12 - 3,096 grs., or	6.45	" "
	27.95	" 2

000420

McKernan's Vaults Pages 372, 373, 393

Vault F Cage 1 1933 D.E. 8,900,000 sealed 6/27/33
(P. 373)

8,740 ? Assay

4,520 ? Office

Coined and delivered	$8,910,000	
	8900,000	Sealed 6/27/33 F-1
	10,000	2 bags reserved by Cashier for pyx
	* 9,320	Pyx coins reserved
	$680	

McKernan signs for $680 Feb. 2, 1934 increases his gold coin holdings

No indication where placed or under seal

* 8,740 assay shown on page 373 as added to total gold coin holdings. No indication where placed or under seal.

McKernans Vault Records
P. 373

1928	-18,153,000			
1929	35,570,000			
1931	58,755,000			
1932	22,030,000			
1933	8,900,000			
Cir.	25,000			
	143,433,000			
D.E. Cage 4-	58,500,000			
6-	57,000,000			
1-	27,908,000	(8,900,000) (1933 D.E.)		
Blower Vault Cir.	25,000			
	143,433,000			
	4,520	Office		
	8,740	Assay		
	143,448,260	-	143,448,580	See page 373 Vault records

CASHIER'S DAILY STATEMENT

DOUBLE EAGLES

Feb. 20, 1934	Prior years	$134,539,160
	1933	8,909,420
		$143,448,580
		3,580 Prior-March 1934
		$143,452,160
		140 Prior-June, 1934
		*$143,452,300- Classified uncurrent 9/13/34

- - - - - - -

*$134,542,880 Prior
8,909,420

$143,452,300

assayed at Laboratory B/M Wash. DC

*$8,909,420
180 destroyed by Assay Commission
400 Specials B/M
$8,910,000 Total coined

MEMO: 2 D.E. 1933 pieces forwarded to Belote, National Museum, Washington for coin collection of U.S., value $40

Shown on Cashier's Daily Statement Book; nothing in McKernan's records; nothing to shown from where the coins were taken, office or vault.

VAULT "F", CAGE #1

DOUBLE EAGLES	$27,908,000.00
EAGLES	21,930,000.00
HALF EAGLES	725,000.00
	$50,563,000.00

/s/ CHARLES GAMMON
Chairman Settlement Committee

LEONARD P MORGAN
Member Settlement Committee

F.S. FLETCHER
Member Settlement Committee

GEORGE A. McCANN
Representing Supt. of Mint

SEALED JUNE 27, 1933

** - - - - - - - - - -

Seal broken 9:20 a.m. October 20, 1936

Locked and temporarily sealed 10/20/36

H. G. Kulp, Chairman
George H. Talmon
James H. Byrnes
Booten M. Thomas, Rep. Supt.
U.S. Mint

TEMPORARY SEAL

*** Vault "F" Cage 1 Sealed at on 10/20/36

With former values (1933) intact

HAROLD G. KULP, Chairman
JAMES R. BYRNE Rep. Dir. of Mint
G. H. TALMON, " " " "
BOOTEN M. THOMAS, Rep. Supt. U. S. Mint

(Broken by Cashier 2/3/37) (in Mr. McCann's handwriting on the seal)

Report of above committee on March 23, 1937:

"Joint seals on Vault F, Cages 1, 2 and 6, were found to be intact and accepted and temporarily sealed by the committee. However, these temporary seals were removed by the Cashier of the mint and the contents withdrawn, which prevented permanent sealing by this Committee as follows:"

***"The above facsimile of the original seal, which was found to be intact, and the amounts as noted thereon were accepted, the doors opened to install protective system and the cage temporarily sealed with no change in contents this 20th day of October, 1936."

Domestic and Foreign Coins Manufactured by Mints of the United States 1793-1980

Department of the Treasury
Bureau of the Mint

TABLE XII.—*U.S. gold coins produced, 1793–1933*—Continued

[Face value]

Calendar year	50 dollars	Double eagles ($20)	Eagles ($10)	Half eagles ($5)	3 dollars	Quarter eagles ($2.50)	Dollars	Total
1867		$23,436,300	$121,400	$179,600	$7,950	$78,125.00	$5,250	$23,828,625.00
1868		18,722,000	241,550	288,625	14,625	94,062.50	10,525	19,371,387.50
1869		17,238,100	82,850	163,925	7,575	84,612.50	5,925	17,582,987.50
1870		22,819,450	164,430	143,550	10,605	51,387.50	9,335	23,198,787.50
1871		20,456,740	254,650	245,000	3,990	68,375.00	3,930	21,032,685.00
1872		21,230,600	244,500	275,350	6,090	52,575.00	3,530	21,812,645.00
1873		55,456,700	173,650	754,605	75	512,562.50	125,125	57,022,747.50
1874		33,917,700	799,270	203,530	125,460	9,850.00	198,820	35,254,630.00
1875		32,737,820	78,350	105,240	60	30,050.00	420	32,951,940.00
1876		46,386,920	104,280	61,820	135	23,052.50	3,245	46,579,452.50
1877		43,504,700	211,490	152,660	4,464	92,630.00	3,920	43,999,864.00
1878		45,916,500	1,031,440	1,427,470	246,972	1,160,650.00	3,020	49,786,052.00
1879		28,889,260	6,120,320	3,727,155	9,090	331,225.00	3,030	39,080,080.00
1880		17,749,120	21,715,160	22,831,765	3,105	7,490.00	1,636	62,308,279.00
1881		14,585,200	48,796,250	33,458,430	1,650	1,700.00	7,660	96,850,890.00
1882		23,295,400	24,740,640	17,831,885	4,620	10,100.00	5,040	65,887,685.00
1883		24,980,040	2,595,400	1,647,990	2,820	4,900.00	10,540	29,241,990.00
1884		19,944,200	2,110,800	1,922,250	3,318	4,952.50	6,206	23,991,766.50
1885		13,875,560	4,815,270	9,065,030	2,730	2,217.50	12,205	27,773,012.50
1886		22,120	10,621,600	18,282,160	3,426	10,220.00	6,016	28,945,542.00
1887		5,662,420	8,706,800	9,560,435	18,480	15,705.00	8,543	23,972,383.00
1888		21,717,320	8,030,310	1,560,980	15,873	40,245.00	16,080	31,350,808.00
1889		16,995,120	4,298,850	37,825	7,287	44,120.00	30,729	21,413,931.00
1890		19,399,080	755,430	290,640		22,032.50		20,467,182.50
1891		25,891,340	1,956,000	1,347,065		27,600.00		29,222,005.00
1892		19,238,760	9,817,400	5,724,700		6,362.50		34,787,222.50
1893		27,178,320	20,132,450	9,610,855		75,265.00		56,997,020.00
1894		48,350,800	26,032,780	5,152,275		10,305.00		79,546,160.00
1895		45,163,120	7,148,260	7,259,650		15,297.50		59,616,357.50
1896		43,931,760	2,000,980	1,072,315		48,005.00		47,053,060.00
1897		57,070,220	12,774,090	6,109,415		74,760.00		76,028,485.00
1898		54,912,900	12,557,970	10,154,475		60,412.50		77,985,757.50
1899		73,593,680	21,403,520	15,278,645		68,375.00		111,344,220.00
1900		86,681,680	3,749,600	9,673,650		168,012.50		99,272,942.50
1901		34,150,520	46,036,160	21,320,200		228,307.50		101,735,187.50
1902		35,697,580	5,520,130	5,557,810		334,332.50	75,080	47,184,932.50
1903		24,828,560	7,766,970	10,410,120		503,142.50	175,178	43,683,970.50
1904		227,819,440	2,709,880	2,445,880		402,400.00	25,028	233,402,428.00
1905		37,440,220	5,703,280	5,915,040		544,860.00	35,041	49,638,441.00
1906		55,113,800	16,903,920	16,334,100		441,225.00		78,793,045.00
1907		96,656,620	26,838,790	7,570,960		841,120.00		131,907,490.00
1908		109,263,200	14,813,360	6,149,430		1,412,642.50		131,638,632.50
1909		59,774,140	5,987,530	21,910,490		1,104,747.50		88,776,907.50
1910		60,788,340	34,563,440	7,840,250		1,231,705.00		104,723,735.00
1911		36,392,000	5,566,950	12,018,195		1,899,677.50		56,176,822.50
1912		2,966,480	7,050,830	5,910,720		1,540,492.50		17,498,522.50
1913		11,926,760	5,080,710	6,620,495		1,805,412.50		25,433,377.50
1914		40,926,400	7,025,500	3,755,625		1,720,292.50		53,457,817.50
1915	$150,950	14,391,000	4,100,750	3,760,375		1,540,292.50	25,034	23,968,401.50
1916		15,920,000	1,385,000	1,200,000			20,026	18,525,026.00
1917							10,014	10,014.00
1918								
1919								
200		15,725,000	1,265,000					16,990,000.00
1921		10,570,000						10,570,000.00
1922		80,670,000					10,016	80,680,016.00
1923		45,365,000						45,365,000.00
1924		206,010,000						206,010,000.00
1925		190,935,000				1,445,000.00		192,380,000.00
1926		66,785,000	10,140,000			1,615,565.00		78,540,565.00
1927		124,675,000				970,000.00		125,645,000.00
1928		176,320,000				1,040,000.00		177,360,000.00
1929		35,595,000		3,310,000		1,330,000.00		40,235,000.00
1930		1,480,000	960,000					2,440,000.00
1931		60,895,000						60,895,000.00
1932		22,035,000	44,630,000					66,665,000.00
1933		8,910,000	3,125,000					12,035,000.00
Total	150,950	3,482,112,120	576,834,850	394,559,345	1,619,376	51,067,082.50	19,874,754	4,526,218,477.50

000012

TREASURY DEPARTMENT

UNITED STATES MINT SERVICE

OFFICE OF THE SUPERINTENDENT
UNITED STATES MINT

PHILADELPHIA, PA.

October 9, 1934

Director of the Mint,
Treasury Department,
Washington, D.C.

Dear Sir:

In accordance with your instructions of August 20th, we have sent to the U.S.National Museum the following coins and medals:

2 - 1933 Philadelphia double eagles
2 - 1934 Philadelphia silver dollars
2 - 1934 Philadelphia half dollars
2 - 1934 Philadelphia quarter dollars
2 - 1934 Philadelphia dimes
2 - 1934 Philadelphia nickels
2 - 1934 Philadelphia cents

2 - 1933 Denver cents
2 - 1934 Denver nickels
2 - 1934 Denver cents

2 bronze medals of President Roosevelt.

The following coins should be placed in the collection, which are not available at this Mint:

2 - 1933 Philadelphia cents, which possibly may be obtained from the Treasurer of the United States.
2 - 1933 San Francisco half dollars, which possibly may be obtained from the Treasurer of the United States.
2 - 1933 Denver Oregon Trail half dollars, which can be purchased on competitive bids.
1934 Philadelphia commemorative half dollars, and 1934 Denver and San Francisco silver coins - can be taken from assay coins remaining after Annual Assay Commission meets next February.

Will you please advise what further action should be taken?

Very truly yours,

ACTING Superintendent

000002

CO-10468

TREASURY DEPARTMENT

FISCAL SERVICE

WASHINGTON 25

OFFICE OF
TREASURER OF THE UNITED STATES
IN REPLYING QUOTE INITIALS

APR - 6 1944

April 6, 1944.

CONFIDENTIAL

Memorandum for the Chief,
Secret Service Division:

In compliance with Mr. Haley's recent informal request, please be advised that the records of this office do not show that any payments of 1933 Double Eagles were authorized to be made by the United States Mint, Philadelphia, to any Federal Reserve Bank or Branch.

Marion Gardner

Assistant Treasurer.

000959

RECEIVED
CHIEF POST SERVICE

1944 MAR 28 AM

March 27, 1944

P. O. Box 804
Church Street Annex
New York, 8, N. Y.

Re: 1933 Double Eagle Gold Pieces

Mr. Frank J. Wilson, Chief,
U. S. Secret Service,
Treasury Department,
Washington, D. C.

Sir:

On February 24, 1944, in company with Custodian James Haley, interviewed Mr. Kehr, Editor of the Stamp and Numismatic Column of the New York Herald Tribune. Mr. Kehr informed us that an auction was taking place at Stack Bros., Numismatists, 12 West 46 Street, New York City, where there was being auctioned off the coin collection of Colonel J. W. Flanagan, a wealthy resident of Palm Beach, Florida, and that among the coins to be auctioned off was a 1933 Double Eagle gold piece believed to have been minted at Philadelphia.

Accordingly, Mr. Haley and this agent proceeded to Stack Bros. and there interviewed Joseph and Morton Stack, who conduct this business. They produced the coin in question and a letter addressed to Stack's, dated March 16, 1944, from B. Max Mehl, coin dealer, Fort Worth, Texas, in which he advised Stack Bros. that he had sold this coin to Colonel Flanagan as of November 26, 1937 for the price of $1,250. Possession of the coin was taken in the name of this Service and receipt accordingly issued.

Questioning of the Stack brothers developed that similar coins were in circulation with other collectors particularly Max Berenstein, jeweler, 435 Madison Avenue, New York City, who was interviewed on the same date and possession taken of his coin. Mr. Berenstein stated that he had purchased this coin from James G. MacAllister, 3400 North 5th Street, Philadelphia, Pa., on February 17, 1937 for $1,600., and that he believed that MacAllister had three of these coins, one of which he sold to a collector named Taylor of New York City, who resold the coin to Mr. Berenstein, who resold same to R. H. Smith, 2267 Clybourne Avenue, Chicago, and also that Smith had sold the coin to

Ira Reed, 37 South 18th Street, Philadelphia, Pa. Mr. Berenstein also advised that Mr. Fred C. C. Boyd, 59 West 12 Street, New York City, President of the Union News Co., also had one of these coins as did Mr. J. F. Bell, 100 North LaSalle Street, Chicago, Ill., as well as T. James Clarke, President of Clarke's Box & Label Works, Jamestown, N. Y.

The coins seized belonging to Colonel Flanagan and Mr. Berenstein were taken to the U. S. Assay Office, New York City, weighed and found to be within the weight range of perfect coins.

On March 25th, Mr. Max Berenstein was again interviewed by Mr. Haley and this agent, at which time he stated that Mr. Bell, Mr. Boyd and Mr. Reed, referred to above, could then be located at Stack Bros., where they were accordingly interviewed. Mr. Boyd admitted owning one of these coins but refused to surrender same at this time or until it was definitely shown to him that this coin had been illegally taken from the Mint. Mr. Bell surrendered the coin in his possession and Mr. Reed stated that he had disposed of the two coins which had come into his possession. It later developed that one of these was the coin seized from Mr. Bell. Mr. Boyd stated that he had purchased his coin from James G. MacAllister, referred to above, and that it was his understanding that all of these 1933 Double Eagles had been secured by a collector or by a coin dealer, possibly MacAllister, from the son of the president of the Federal Reserve Bank of Philadelphia at a time when a bag of these coins was in possession of that bank and the order to recall same had been issued by former Secretary of the Treasury Woodin, and that instead of returning the bag intact to the Mint ten of these coins were abstracted by someone connected with the Federal Reserve Bank of Philadelphia leading to their subsequent distribution. A New York dealer named Kasoff, located at 50th Street and Madison Avenue, is also named by Mr. Berenstein as having distributed several of these coins, one of which was sold to a dealer named Hammell of New York City two years ago, who was said to have resold it to Ira Reed of Philadelphia, who informed us that he had this coin but had sold it and did not recall to whom. Mr. Reed, however, promised to consult his records and advise us as to whom the two coins handled by him had been sold. Mr. Kasoff is also said to have sold one of these coins to Sol Kaplan, 18 East 4th Street, Cincinnati, Ohio, who is said to have resold the coin to a man named Williams, the head of an insurance company in that city. Mr. Kasoff could not be interviewed up to the time of writing this report but is said not to possess any of these coins at this time.

On March 27th, this agent interviewed Louis S. Werner, coin

dealer, 100 Bennett Avenue, New York City, who advised that at the 1935 Convention of the American Numismatic Association in New York information similar to that furnished by Mr. Boyd as to the origin of these coins from the Federal Reserve Bank of Philadelphia was freely discussed by the coin collectors attending that convention. Mr. Werner could give no more tangible information than that already stated above.

In accordance with instructions received this date from SA John J. McGrath, reporting agent is continuing this investigation at Philadelphia and further developments will be promptly reported.

Very truly yours,

HARRY W. STRANG,
Agent.

Approved:

John J. McGrath

JOHN J. MC GRATH,
Supervising Agent.

HWS:AMP

cc-SA, Philadelphia, Pa.

Stack's
NUMISMATISTS
12 WEST 46TH STREET
NEW YORK, 19, N.Y.

COINS
MEDALS
PAPER MONEY

Mr Strang:
You just take
this along with you
Please forward another copy
Pat & Mr Adler
Thank you
Yours truly
Max Stack

Dear Sirs:
Herewith your copy
Please note date of sale
Nov. 26th 1937.
Henry Vang

000372

Stack's
NUMISMATISTS
12 WEST 46TH STREET
NEW YORK. 19. N.Y.

COINS
MEDALS
PAPER MONEY

March 16th
of my 44th Numismatic Year
1944

COPY OF B. MAX MEHL LETTER

AIR MAIL

Stack's
New York, N.Y.

Gentlemen:

In order to keep the records straight, I wish to call your attention a discrepancy in your statement relative to lot 1681, the 1933 Double Eagle in your Sale to be held this month. You state that Colonel Flanagan paid $2200.00 for this piece. This is incorrect. He purchased the coin of me as per invoice of November 26th, 1937, and remittance was received from him on December 3rd, same year, for the amount of $1250.00.

I thought best to advise you so that you can make the proper correction on the day of Sale, as I am quite confident that you would not want to make an incorrect statement regarding the price paid for a rarity.

Herewith enclose $1.00 in New York funds for Price List of the Sale.

Yours truly,

B. Max Mehl

CO-10458

RECEIVED
U.S. SECRET SERVICE

1944 MAR 30 AM

Philadelphia, Pa. (6)

407 U. S. Custom House

March 29, 1944

Intermediate Report
Re: 1933 Double Eagle Gold Coins (DEGC)

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, D. C.

Sir:

Reference is made to report of March 27, 1944, on the above subject at which time it was stated that the investigation would be continued at Philadelphia, Pa. Upon conferring with SA Gruber, Agent George C. Drescher was assigned to assist in the investigation with the following developments up to the writing of this report.

Some little difficulty was experienced in contacting Mr. James G. Macallister, 1528 Walnut St., Philadelphia, he having removed from the address 5400 N. 5th St., and our efforts meanwhile were devoted in interviewing one Stephen K. Nagy, 8 S. 18th St., Philadelphia, a well-known authority on coins and antiques. Mr. Nagy advised that his knowledge of the 1933 Double Eagles consisted of his acquaintanceship with former Secretary of the Treasury Woodin and that while Mr. Woodin was still Secretary, Mr. Nagy visited him at Washington and during this visit, Secretary Woodin exhibited to Nagy five 1933 Double Eagle Gold Coins (DEGC) making an offer to let Nagy have one if he so desired. Mr. Nagy declined this offer but discussed the coins with Mr. Woodin to the extent of asking him whether he had more than the five, to which Mr. Woodin replied with a knowing wink of his eye.

We next visited Mr. Ira S. Reed, coin dealer, 37 S. 18th St., Philadelphia, for the purpose of obtaining information regarding any and all dealings he may have participated in regarding the specific type of coin under investigation. Mr. Reed exhibited no records but did state that he had disposed of three of these coins and intimated that he had disposed of others, but declined to furnish specific information. The coins he admitted having handled are as follows and we will list these from now on by identification numbers as their subsequent history is somewhat involved.

000384

DEGC No. 1. This coin, known among collectors as the "Taylor" specimen, Reed states he sold to J. F. Bell of Chicago sometime in 1942 and this coin was subsequently sold by Bell in a collection to B. Max Mahl of Fort Worth, Texas.

DEGC No. 2. This coin known as the "Hammell" specimen was sold by Reed to J. F. Bell on March 23, 1944 and was seized by this Service in New York on March 28, 1944.

DEGC No. 3. Reed states this coin was purchased over the counter at his place of business sometime in 1941 and was sold by Reed to T. James Clark, 38-40 Charles St., Jamestown, New York, in the same year and is believed to be still in Clark's possession.

While, as stated, Mr. Reed intimated that he had disposed of other 1933 DEGC, which data he was reluctant to furnish. He did say that he felt that if the present holders of these coins could be assured that the coins would be ultimately returned to them, he was sure there would be no difficulty about learning of their present whereabouts and the manner in which they secured them. We, of course, could make no promises to that effect.

Mr. James G. Macallister was later interviewed at his place of business and readily discussed his handling of these coins and produced his records covering same to verify his statements. The information was forthcoming that on February 15, 1937 he first handled a coin of this type, which he purchased from one Israel Switt, a jeweler and coin dealer located at 150 S. 8th St., Philadelphia. This coin (DEGC No. 4) Mr. Macallister sold to Max Berenstein, [illegible] Madison Avenue, New York City, on February 16, 1937 for $1600. On or about February 20, 1937 Mr. Macallister purchased another one of these coins (DEGC No. 5) from Switt, which he sold to Fred G. G. Boyd, 59 W. 18th St., New York City for $1100 and this coin Mr. Boyd advised, as per report of March 27, 1944, was still in his possession.

On or about July 1, 1937, Macallister purchased from Switt a third one of these coins which he sold as of that date to Mr. B. L. Taylor of New York City, now in Florida, and it is this coin known as the "Taylor" specimen which is above identified as DEGC No. 1. It was sold by Taylor to Reed to Bell and finally to B. Max Mahl of Fort Worth, Texas. The purchase price from Switt to Macallister of the three coins referred to above, was $500 per coin. Later in July 1937, Macallister purchased another one of these coins (DEGC No. 6) from Switt for $550, which he sold about July 15, 1937 to B. Max Mahl, Fort Worth, Texas, and it is this coin that is believed to be the one offered for sale in the Flanagan collection and which was seized by this Service in New York on March 24, 1944.

On or about December 6, 1937, Macallister purchased another one of these coins (DEGC No. 7) from Switt for $350 and sold same for $1000 on the same date to B. Max Mahl, Fort Worth, Texas. Macallister states positively that he has not handled any more of these coins for the reason that when Switt offered to get him more after the last transaction referred to above, it became apparent to him that there were too many of the coins obtainable to warrant their being represented as rarities and Macallister felt that his reputation as a dealer was in jeopardy.

Mr. Macallister also stated that Abe Kasoff, New York City, referred to in report of March 27, 1944, as having sold one of these coins to a dealer named Hammell of New York City who resold same to Ira Reed of Philadelphia (DEGC No. 8), obtained this coin from Switt for whom Kasoff acted as Agent, and also another coin (DEGC No. 9) which Kasoff sold to Sol Kaplan of Cincinnati and is now said to be in the possession of Frank Williams, President, Eastern & Southern Insurance Company, Cincinnati, Ohio. (Irwin)

Mr. Macallister further informed us that he had repeatedly questioned Switt as to the source from which he had obtained these coins and received different answers, one of which was to the effect that they had come from an old lady who was related to a high official of the Treasury Department. Another was that they came from a man named Morris connected with the Federal Reserve Bank of Philadelphia, but in view of Switt's reputation, according to Macallister, as a gold coin bootlegger, Macallister was not disposed to place any credence in Switt's stories. Mr. Macallister also advised that Switt had been arrested some years ago for violation of the Gold Reserve Act, having been found in possession of a large quantity of gold coin for which he could advance no reasonable explanation, and in this connection the Philadelphia office files (J-5-1938) show that on August 22, 1934 one Israel Switt residing at 5429 Sansom St., with his place of business at 713 Sansom St., Philadelphia, was arrested at the 30th St. Station of the Pennsylvania Railroad by City Detectives, while carrying an unusually heavy briefcase and found to be in possession of 98 $20 gold coins and 4 $10 gold coins. The $20 gold coins are described in Operative-in-Charge Houghton's report of August 23, 1934 as "The coins were all in good condition, most of them dated about 1894, some as far back as 1879 and 1882, which would indicate that they had been purchased from persons who had received them as gifts and were holding them." Switt was subsequently prosecuted under the Gold Reserve Act with the result that on September 7, 1937 the coins seized were ordered forfeited to the Government as a fine and under date of February 12, 1938, United States Mint at Philadelphia advised that they had complied with Judge Maris' decree.

The investigation is being continued at Philadelphia by the Reporting Agents, especially with regard to the acquisition and dispesal of these coins by Israel Switt and the possibility that someone connected with the Federal Reserve Bank of Philadelphia may have been involved in their distribution. Further developments will be promptly reported.

Very truly yours,

Harry W. Strang
Agent

George G. Drescher

George G. Drescher
Agent

Approved:

Fred W. Gruber
Supervising Agent

HWS/GGD/eb

cc: SA New York

C O

State of Penna.
ss
County of Phila.

March 30, 1944

STATEMENT OF ISRAEL SWITT, 48 years of age, 130 S. 8th St., Philadelphia, Pa.

I, Israel Switt, do hereby make the following voluntary statement:

My first recollection of having bought and sold 1933 Double Eagle Gold Coins was about the beginning of February 1937. This gold coin I received in a collection with other coins, which I purchased under circumstances which I do not remember at this time. This coin I sold to James G. Macallister and also sold Mr. Macallister during the ensuing months of 1937, four similar coins, a total of five. I also sold two of these coins to Ira Reed, 37 S. 18th St., Philadelphia and two more of the same type of coins to Abe Kasoff, now located at 50th & Madison Avenue, New York City. These sales to Kasoff and Reed were two or more years after my sales to Macallister.

These nine coins I distinctly recall having sold but I do not remember when, where or from whom I purchased them, as they were received by me in collections with other coins at different times. In my dealings as a gold buyer, particularly in the acquisition and disposal of scrap gold, I have for many years as far back as the past 40 years, I have visited the United States Mint at Philadelphia as a depositor of scrap gold and the employees whom I got to know there who received this gold from me were Jack Pepper and Robert Graham. My only contact with Mr. Chafin, formerly chief clerk at the Mint, was when I visited the Mint following the revocation of my gold license in 1934, and was endeavoring to get same renewed. I never had any conversation with Mr. Chafin about coins. I do not know Ralph Rolland, nor do I know George McCann. I never had any dealings of any nature with these men. The only coin transactions I ever had with any of the employees of the Philadelphia Mint was when I purchased commemorative coins from one cent to fifty cents or purchases of pennies, nickels, and dimes in 100 lots in proof coins. I never had any conversation about or obtained any gold coins from or through any employees of the U. S. Mint at Philadelphia or elsewhere.

I have been questioned as to the existence of any records in my possession covering the purchase and sale of the gold coins disposed of to Messrs. Macallister, Reed and Kasoff and state on my oath that I do not have any records which will show the time, place, and identity of the persons from whom I obtained these coins, nor do I have any of these coins in my possession or under my control at this time.

I have read this statement and hereby declare same to be the truth.

Witnessed by:

(Signed) George C. Drescher

(Signed) Israel Switt

Sworn and subscribed before me this 30th day of March, 1944.

Authority to Administer Oath
Title 5, Section 93, USCA

(Signed) H. W. Strang
H. W. Strang, Agent
U. S. Secret Service

CO-10468

RECEIVED
CHIEF SECRET SERVICE

(6)

407 U. S. Custom House

1944 APR 3 AM 9 20

April 1, 1944

TREASURY DEPARTMENT

INTERMEDIATE REPORT

Re: 1933 Double Eagle Gold Coins

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, D. C.

Sir:

Reference is made to previous reports on the above subject, particularly report of March 29, 1944, wherein we advised that the investigation was being continued especially with regard to the acquisition and disposal of these coins by Israel Switt and the possibility of the Federal Reserve Bank of Philadelphia being concerned in their distribution.

On March 30, 1944, Israel Switt was contacted at his place of business, 130 S. 8th St., Philadelphia, where he was first interviewed and the interview continued at the Philadelphia office of this Service over a period of approximately four hours resulting in Mr. Switt's admitting that he had in his possession nine 1933 Double Eagles, and disposing of them as follows: The five coins previously set forth as having been purchased from Switt by James G. Macallister, two coins which Switt stated he sold to Abe Kasoff, 50th & Madison Ave., New York City, and two coins which he stated he sold to Ira S. Reed of Philadelphia; that the five coins were sold to Macallister during 1937 and the sales to Kasoff and Reed took place about two years afterward; that he had not handled any of these 1933 Double Eagles after that time or after those transactions, and that there were none of these coins in his possession or under his control at this time. Mr. Switt professed to possess no records showing when, where or from whom these nine coins were obtained, and insisted that he could not remember those details, although his memory was entirely clear on all other particulars as to these transactions.

In this connection Mr. Switt was questioned as to the origin of the coins which were in his possession at the time of his arrest on July 22, 1934 as mentioned in our report of March 29, 1944 and examination of the statement made by him at that time disclosed that he then stated he had those coins stored in a safe deposit box. He now states

that he obtained those coins acting as Agent for one Israel Zeiger, now deceased, but then in business as a jeweler at 8th & Sanson Streets, Philadelphia. His explanation of the acquisition of the nine coins disposed of to Macallister, Kasoff and Reed is that he obtained them in the purchase of an accumulation of coins from different persons. The reporting Agents do not place much credence in this statement in view of the above circumstances.

Mr. Switt further stated that in his business as a buyer of scrap gold for almost 40 years, he had been visiting the Philadelphia Mint as a depositor of such gold and there became well-acquainted with Jack Pepper, now in charge of the Receiving Department, and one Robert Graham, a former employee of that department, now retired, and that at the present time he had a watch belonging to Graham at his place of business for repairs. He denied knowing former Chief Clerk Chaffin, former Asst. Superintendent Ralph Rolland or former Cashier, George McCann. Mr. Switt was found to be the lessee of a safe deposit box at the Corn Exchange Bank, 1510 Chestnut St., Philadelphia, which box No. 463 was visited by the under-signed Agents in company with Mr. Switt and the contents examined but nothing of interest to the investigation was found. In this connection, Mr. Switt admitted that on the morning of March 27, 1944, Ira S. Reed had communicated with him and advised him as to the seizure of the Flanagan, Bernstein and Reil coins in New York. As to books and record kept by Switt in connection with his business transactions he stated that he had no bookkeeper and that an accountant named Israel Rubin, Bankers Trust Building, kept his books and filed his income tax returns. Tentative arrangements have been made with Rubin for an examination of these records. A sworn statement in narrative form was obtained from Switt and is herewith enclosed.

With a view in definitely determining whether or not a bag of these double eagles may have been in the possession of the Federal Reserve Bank of Philadelphia or elsewhere and the coins in question distributed from that source, the records at the United States Mint, Philadelphia, have been carefully examined and it has been established the last shipment of gold coin, none of which contained 1933 mintage, was made March 6, 1933, a list of which shipment is attached (page 1), and it will be noted that the Federal Reserve Bank of Philadelphia did not receive any of those coins.

There is also attached a list (page 3) showing the entire coinage from 1933 Double Eagles. The disposition of this coinage is contained in a letter dated March 21, 1944 to the Director of the Mint at Washington, wherein it is shown that of the $8,910,000 worth of coins minted, $8,900,680 worth was classified as uncurrent, and placed in a sealed vault, $9320 worth or 466 pieces were held out and disposed of as outlined in this letter. In this connection it has been further developed that on February 20, 1934, the Assay (PYX) Committee returned

to the Cashier $8740 worth and apparently these coins remained in the Cashier's hands for a considerable time at least until October 2, 1934, as the Mint records show that on that date, the Cashier forwarded two coins to Dr. Belote of the Smithsonian Institute, the entry appearing on the Cashier's Daily Statement Book of that date. Just how long these coins remained in the cashier's possession or what disposition was made of them is not clear at this time, as his daily statements do not further identify the coins and examination of the Vault Records show that on June 27, 1933, $8,900,000 worth of these 1933 Double Eagles were placed in Vault F, Cage 1, and sealed by a Settlement Committee consisting of Charles Gannon, Leonard P. Morgan, and F. S. Fletcher, with George A. McCann representing the Supt. of the Mint. Also, that these seals were not broken until 9:20 A.M. October 20, 1936 which was done for the purpose of installing a protective system and the vault was locked and temporarily sealed, the details of which are shown on the attached memoranda covering Vault F, Cage 1, upon which it will be noted the temporary seal was broken by the Cashier, George McCann on February 3, 1937 and it was discovered that a bag of Double Eagles valued at $5,000 and believed to be of 1929 mintage, was missing, regarding which an investigation has been previously conducted.

Referring to the twenty specimens of 1933 Double Eagle Mintage forwarded to the Director of the Mint, it has been determined that this took place between March 15 and May 19, 1933, as per summary (page 8). Under the Mint Bureau method of Procedure, these coins in either their original or melted form should have been returned to the Philadelphia Mint, and in that connection it was learned that such return was supposed to have been made as outlined in the letter from the Director of the Mint dated March 22, 1934, copy of which is contained on Page 4 of attached summary. As the return made at that time apparently represents an accumulation of gold, we are unable to reconcile the weight or value of such return with the twenty coins of 1933 mintage forwarded to the Director of the Mint. This feature is mentioned in the event that you may wish to have those figures clarified at the Mint Bureau Laboratory, Washington.

With the view to determine the possible handling accorded to $8740 worth of 1933 Double Eagles returned to the Cashier on February 20, 1934, an inquiry as to the personnel of the Cashier's Department disclosed that on that date one Hibberd Ott (DECEASED) was Cashier, but that he was absent because of illness from March 19 to April 17, 1934, during which time George McCann, under the tutelage of Ralph Holland, Chief Clerk, acted as Cashier and was subsequently permanently appointed to that position, filling same until May 29, 1940 when he was arrested for the theft of uncurrent coin, and subsequently imprisoned.

As stated the whereabouts of $8740 worth of these Double Eagles during the time they were apprently in the Cashier's hands, is rather vague, there is no record of them having been placed in the

sealed vault and the supposition is that they were kept in the Cashier's office vault at least a considerable time because, as brought out above, the Cashier forwarded two of these coins to the Smithsonian Institute on October 2, 1934. In an effort to learn something definite as to this handling, the investigating Agents propose locating and questioning former Cashier McCann and former Chief Clerk Ralph Holland, as well as Robert Graham, formerly in charge of receiving gold deposits because of his friendship with Israel Switt and the fact that we have determined from Watson R. Copeland, now in charge of the Transfer Weigh Department, that McCann and Graham were unusually friendly and the possibility of the coins being disposed of to Switt through this means, regarding which due report will be made.

Very truly yours,

Harry W. Strong
Agent

George C. Drescher
Agent

Encls: Statement
Summary

cc: SA New York w/statement & summary.

HWS:GCD:eb

Form 1588
TREASURY DEPARTMENT
SECRET SERVICE DIVISION
November 1936

CO-10468

TREASURY DEPARTMENT
SECRET SERVICE DIVISION

RECEIVED
CHIEF SECRET SERVICE
1944 APR 7 AM 6 50

TREASURY DEPARTMENT
SECRET SERVICE DIVISION
APR - 5 1944
OFFICE SUPERVISING AGENT
DISTRICT NO. 10
DALLAS, TEXAS

MEMORANDUM REPORT

To Supervising AGENT IN CHARGE: District at Dallas, Texas

The following report is submitted with reference to 1933 $20 Double Eagle Gold Coins
(Name of principal suspect)
B. Max Mehl, Ft. Worth, Texas.

Reference is made to exchange of teletypes with Chief's Office on March 28, 1944, yours to Chief on March 29th and Chief to you on April 3rd relative the above matter.

B. Max Mehl returned to Ft. Worth, Texas, on April 4th and was interviewed at his office, 1204 W. Magnolia Ave., on this same date. Mr. Mehl stated that in all he purchased three of subject coins, one from Ira S. Reed, 37 So. 18th St., Philadelphia, Pa., on February 23, 1944; one from J. G. Macallister, Philadelphia, on July 21, 1937; and another from Macallister on December 3, 1937; that the coin he purchased from Reed was sold on the purchase date to the King of Egypt, through the Egyptian Legation at Washington, D.C., and the one purchased from Macallister on July 21st to Col. James U. Flanagan on Nov. 26, 1937; that he is not positive at present as to what disposition was made of the other coin purchased from Macallister, but will make a thorough examination of his records and advise this Service of his findings within the next few days.

Questioned concerning the purchase of one of these coins from J. F. Bell, Chicago, Mr. Mehl stated that on July 20, 1943, he bought a collection from Bell aggregating $44,250.00, but such collection as purchased did not contain one of these coins. Mr. Mehl exhibited an itemized list of the collection which showed one of subject coins with a penciled line drawn through it as listed. Several other items were cancelled in the same manner on the list and Mr. Mehl declared that all so marked were not included in the collection as purchased. In an effort to prove that such coin was not purchased, Mr. Mehl placed a telephone call to Mr. Bell in Chicago and invited me to listen in on a connecting telephone. In response to Mr. Mehl's direct and opening question Mr. Bell stated positively that one of these coins was not included in the collection sold to Mr. Mehl. Mr. Mehl then questioned Mr. Bell as to what disposition was made by him of such coin as shown on the list and Mr. Bell refused to give him this information, countering with the question "Is the Secret Service after you about these coins too?". To which Mr. Mehl replied "I understand they are checking on them".

A further report will be submitted as developments warrant.

Orig. & 2 ccs - Chief via AIR MAIL

Dated at Ft. Worth, Texas April 4, 1944, 193

Ralph K. Oates
(Name of Agent)
Ralph K. Oates, Agent

Number of additional pages attached hereto 0

CC - & NY.
CC - & Phila
CC & Chi

Approved:
Forrest V. Gorrell
Supervising Agent

U. S. GOVERNMENT PRINTING OFFICE 2—17273

000438

30-10,408

April 5, 1944.

Mr. Fred A. Gruber
Supervising Agent
U. S. Secret Service
Philadelphia, Pennsylvania

Dear Sir:

Referring to the second paragraph, Page 3, of your report for April 1, 1944 in the 1933 $20 gold coin case regarding the twenty specimens forwarded to the Director of the Mint at Washington, D. C., which were special assay coins, settlement for which was made with the Mint at Philadelphia indicated in letter dated March 22, 1934 signed "M. H. O'Reilly, Acting Director of the Mint," find herewith attached a memorandum from Mr. T. J. Quirk, Technical Consultant to the Director of the Mint, in charge of the Bureau laboratory in Washington, showing the breakdown of the $800 settlement. It also indicates that it would not be possible for any of these coins to be placed in circulation or in the hands of collectors.

Also, your report for April 1, 1944 indicates that Swift sold nine of the coins, five to Macallister, two to Kasoff, and two to Reed, a total of nine. Your report for March 29, 1944 lists the names of holders of eight of the coins.

We received a teletype dated April 4, 1944 from Supervising Agent McGrath, New York district, advising that James Stack, Hotel Roosevelt, New York City, admits purchasing one 1933 $20 gold coin from Ira Reed, Philadelphia, about two years ago and that he is still in possession of the coin.

Has it been determined who the holder of the ninth coin is and whether the coin held by James Stack is No. 10.

Confirming information given over the telephone to Agent Strang, I wish to advise that the Royal Egyptian Legation, Washington, D. C.,

received by mail one 1933 $20 gold coin on February 3, 1944 from B. Max Mehl, coin dealer, Ft. Worth, Texas, for export to His Majesty King Farouk of Egypt. License No. TGI-11-170 was issued by the Bureau of the Mint, Washington, D. C., in order that coin could be exported.

At the time this coin came to the attention of the Bureau, the Gold Unit did not have the information in its possession that 1933 gold coins had not been placed in circulation.

Very truly yours

Chief, U. S. Secret Service

Enclosure

cc - New York

jmh/han

COPY

MEMORANDUM

April 5, 1944

To: Mr. Haley
From: Mr. Quirk

In reference to the letter of the Acting Director of the Mint of March 23, 1934, concerning the special assay coin settlement of that date:

This settlement was for the period April 30, 1932 to March 22, 1934. During that time the following gold coins were examined and assayed in the Bureau Laboratory:

Date	Denomination	No. of Coins	Value	Weight Troy Ounces
1932	Eagle	28	$ 280.00	15.05
1933	Eagle	12	120.00	6,45
1933	Double Eagle	20	400.00	21.50
	Totals	60	$ 800.00	43.00

"Eagle standard weight - .5375 troy ounces
Double Eagle standard weight - 1.0750 troy ounces

The Laboratory of the Bureau was charged with 43 troy ounces of coin gold, 900 parts gold and 100 parts copper; the scrap, after cutting and assaying the coins, was 39.69 troy ounces leaving 3.31 troy ounces which was used for assay. The 2.983 troy ounces of cornets (fine gold) accounted for the 3.31 ounces or a total of 43 ounces coin gold due the Philadelphia Mint. This included the scrap from the 20 Double Eagles 1933 which were assayed and reported during March, April and May 1933.

The silver scrap was forwarded for settlement of $6.00 due for subsidiary silver coins assayed in the Laboratory during this period.

S/ T. J. Quirk

TJQ:DT

File Co.10468

Original

Form 1514
TREASURY DEPARTMENT
U. S. SECRET SERVICE

Agents will read "Instructions" on back until they are confident they know them all very thoroughly, as the chief will hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

QUANTITY (A)	NAME AND DESCRIPTION (B)	Representative Value of Counterfeit Money (C)	HOW, FROM WHOM, BY WHOM, WHEN, AND WHERE OBTAINED (D)
One (1)	1933 - $20. gold coin (genuine)	35.00	Seized from James Stack by Secret Service Agent Harry W. Strang, 12:00 Noon June 20, 1945, at 1359 Broadway, New York, NY
	Total 6 - $20. gold Coins (1933)		In evidence against: Not in evidence
Bgc	TOTAL	35.00	CASE DISPOSED OF

CERTIFICATE

I HEREBY CERTIFY that I obtained the property described in the above inventory from

Harry W. Strang
Agent

John M. Stack
Supervising Agent — Agent in charge.

000348

Original

File Co.10468

Form 1514
TREASURY DEPARTMENT
U. S. SECRET SERVICE

Agents will read "Instructions" on back until they are
ndent they know them all very thoroughly, as the chief
ill hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

QUANTITY (A)	NAME AND DESCRIPTION (B)	Representative Value of Counterfeit Money (C)	HOW, FROM WHOM, BY WHOM, WHEN, AND WHERE OBTAINED (D)
One (1)	1933 - $20. gold coin (genuine)	XXXXX	Seized from T. James Clarke, through his Attorney Harry J. Stein, by Secret Servide Agent Harry W. Strang, 10:30 AM June 19, 1945 at 501 5th Ave. New York, N.Y.
			CASE DISP
			In evidence against: Required as evidence in civil suit T.James Clarke vs John J. McGrath and Harry W. Strang, pending in U.S. District Court, Southern District of N.Y.
Sq. 2	TOTAL	XXXXX	

CERTIFICATE

I HEREBY CERTIFY that I obtained the property described in the above inventory from

Harry W. Strang
Agent

John J. McGrath
Supervising Agent — Agent in charge.

000349

Original

File Co.10468

Form 1514
TREASURY DEPARTMENT
U. S. SECRET SERVICE

Agents will read "Instructions" on back until they are ondent they know them all very thoroughly, as the chief ill hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

QUANTITY (A)	NAME AND DESCRIPTION (B)	Representative Value of Counterfeit Money (C)	HOW, FROM WHOM, BY WHOM, WHEN, AND WHERE OBTAINED (D)
One (1)	1933 - $20. gold coin (genuine)	15.00	Surrendered by Fred. C.C.Boyd, to Secret Service Agent Harry W. Strang, 3:00 PM June 18, 1945, at 131 Varick Street, New York, N.Y.
			In evidence against: Not in evidence
	TOTAL	15.00	

Pg. 3

CERTIFICATE

I HEREBY CERTIFY that I obtained the property described in the above inventory from

Harry W. Strang
Agent.

John J. McGrath
Supervising Agent — Agent in charge.

000350

File Co.10468

Original

Form 1544
TREASURY DEPARTMENT
U. S. SECRET SERVICE

Agents will read "Instructions" on back until they are confident they know them all very thoroughly, as the chief will hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

QUANTITY (A)	NAME AND DESCRIPTION (B)	Representative Value of Counterfeit Money (C)	HOW, FROM WHOM, BY WHOM, WHEN, AND WHERE OBTAINED (D)
One (1)	1933 - $20. gold coin (genuine)	35.00	Seized from James F. Bell by Secret Service Agents James Haley and Harry W. Strang, 2:00 PM March 25, 1944 at 12 W. 46th Street, New York, N. Y.
			In evidence against
			Not in evidence
	TOTAL	35.00	

Pg. 4

CERTIFICATE

I HEREBY CERTIFY that I obtained the property described in the above inventory from

Harry W. Strang
Agent.

John M. Grale
Supervising Agent — Agent in charge.

000351

File Co.10468

Form 1544
TREASURY DEPARTMENT
U. S. SECRET SERVICE

Original

Agents will read "Instructions" on back until they are confident they know them all very thoroughly, as the chief will hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

QUANTITY (A)	NAME AND DESCRIPTION (B)	Representative Value of Counterfeit Money (C)	HOW, FROM WHOM, BY WHOM, WHEN, AND WHERE OBTAINED (D)
One (1)	1933 - $20. gold coin (genuine)	XXXXX	Seized from Max Bernstein, by Secret Service Agents James Haley and Harry W. Strang, 3:00 PM March 24, 1944, at 435 Madison Ave., New York, N.Y.
			In evidence against: Not in evidence
	TOTAL	XXXX	

By 5

CERTIFICATE

I HEREBY CERTIFY that I obtained the property described in the above inventory and

Agent

Supervising Agent *Agent in charge.*

No. 1

RECEIVED AT WASHINGTON, D. C., on the ..... day of ....., 19.....

of U. E. Baughman

Seized $20. 1933 gold coin, Agent,

the property described in above inventory.

Pages 1-2-3-4-5

Custodian

AGENT IN CHARGE
CONTRABAND SECTION

No. 2

RECEIVED at .....

on the ..... day of ....., 19.....

of .....

....., Custodian,

the property described in above inventory.

Agent.

No. 3

RECEIVED at .....

on the ..... day of ....., 19.....

of .....

the property described in above inventory.

Agent.

2—6184

000352

Form 1544
TREASURY DEPARTMENT
U. S. SECRET SERVICE

Original

File: Co.10468

Agents will read "Instructions" on back until they are confident they know them all very thoroughly, as the chief will hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

Quantity (A)	Name and Description (B)	Representative Value of Counterfeit Money (C)	How, from Whom, by Whom, When, and Where Obtained (D)
One (1)	1933 - $20. gold coin (genuine)	~~35.00~~	Seized from Stack Brothers, by Secret Service Agents James Haley, and Harry W. Strang, 2:00 PM March 24, 1944, at 12 W. 46th Street, New York, N. Y. Said to be the property of Col. James W. Flanagan, of Palm Beach, Florida.
			(Coin taken to Chief's Office by Agent Haley)
			In evidence against:
			Not in evidence.
	Total	~~35.00~~	CASE DISPOSED OF

Pg. 6

CERTIFICATE

I HEREBY CERTIFY that I obtained the property described in the above inventory from

Harry W. Strang
Agent.
John J. McGrath
Supervising Agent — Agent in charge.

No. 1

RECEIVED AT WASHINGTON, D. C., on the day of 3-24-44 at New York Office of J. J. McGrath SA
Coin @ 20. 1933 gold Coin, ~~Agent~~
the property described in above inventory. Seized at Stack Bro., N.Y. City 3/24/44 - page 2.

J. W. Haley
Custodian.
AGENT IN CHARGE
CONFISCATED SECTION

No. 2

RECEIVED at .....

on the ..... day of ....., 19.....,

of .....

....., Custodian,

the property described in above inventory.

.....
Agent.

No. 3

RECEIVED at .....

on the ..... day of ....., 19.....

of .....

.....

the property described in above inventory.

.....
Agent.

2—5184

000353

Form 1544
TREASURY DEPARTMENT
U. S. SECRET SERVICE

ORIGINAL

Agents will read "Instructions" on back until they are confident they know them all very thoroughly, as the chief will hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR

CO-10468

Quantity (A)	Name and Description (B)	Representative Value of Counterfeit Money (C)	How, from Whom, by Whom, When, and Where Obtained
One (1)	Genuine $20 Gold Double Eagle Coin 1933 issue Wgt. 516 grains		Surrendered by Mr. C. M. Williams, R. F. D. #13, Mt. Washington, Cincinnati, Ohio, on 20 June 1945 to Agent Robuck.
	Total		

In evidence against:

CASE DISPOSED OF
NOT IN EVIDENCE

CERTIFICATE

I hereby certify that I obtained the property described in the above inventory from

Agent.

Ralph J. Robuck, Acting *Agent in charge.*

No. 1

Received at Washington, D. C., on the JUN 27 1945 day of ....., 19....

of R. F. Robuck

....., Agent

the property described in above inventory.

J. M. Hale
AGENT IN CHARGE
CONTRABAND SECTION
Custodian.

No. 2

Received at .....

on the ..... day of ....., 19.....,

of .....

....., Custodian,

the property described in above inventory.

Agent

No. 3

Received at .....

on the ..... day of ....., 19....

of .....

.....

the property described in above inventory.

Agent.

2—5184

Case Exhibit #2
D. & . . Hill

000354

CO-10468

Detroit, Michigan

1933 $20 Gold Coin

Reference is made to previous reports on the above case.

On 20 June 1945, Mr. C. M. Williams called at the office and surrendered one $20 Gold Coin, 1933 issue. Mr. Williams stated that he had received a telegram from a prominent collector by the name of Boyd in New York, stating that Boyd had surrendered a coin secured under similar circumstances and, therefore, he (Mr. Williams) was surrendering his coin.

The coin was forwarded to the Chief in jacket, Form 1548, via registered mail on 21 June 1945. Certified Inventory, Form 1544, was also prepared, and the original and duplicate were forwarded to the Chief on the same date.

Unless otherwise directed, the case will be considered closed in the Cincinnati sub-district with the submission of this report.

Orig. & cc - Chief
cc - Central Files
SA New York
SA Philadelphia
SA Dallas
SA Detroit

U. S. SECRET SERVICE
TREASURY DEPARTMENT
RECEIVED
25 JUN 1945
CHIEF'S OFFICE

Cincinnati, Ohio 21 June 1945

0

Ralph W. Robuck, AAIC

Appr.: _____ SA

000355

Chief

August 13, 1947

RA Sutterfield, Memphis

File: CO-10468

$20 Gold Coin (1933)

Reference is made to you Memorandum of July 24, 1947, addressed to SA Andrews, and to my reply, dated August 7, 1947, regarding the above-captioned matter.

Mr. Frank Glankler, Attorney for Mr. L. G. Barnard, defendant, has advised that no appeal will be taken in this case.

The $20 Gold Coin (1933) is enclosed in accordance with your instructions and the case is considered closed here.

A. G. Sutterfield

A. G. Sutterfield,
Resident Agent.

REGISTERED MAIL

cc: SA Louisville

ags

000356

Original

Form 1544
TREASURY DEPARTMENT
U. S. Secret Service

Agents will read "Instructions" on back until they are confident they know them all very thoroughly, as the chief will hold them accountable for every omission.

CERTIFIED INVENTORY OF PROPERTY TO BE ACCOUNTED FOR CO-10,468

Quantity (A)	Name and Description (B)	Representative Value of Counterfeit Money (C)	How, from Whom, by Whom, When, and Where Obtained
ONE (1)	$20 Gold Coin (1933) Double Eagle		Received by RA Sutterfield, 8/13/47, fro Asst. U. S. Attorney John Brown, Memphis Tenn.; from U. S. District Court Clerk W. L. Johnson, 8/12/47, Memphis, Tenn., from L. G. Barnard, Memphis, Tenn., May 28, 1945.
	Total		

CASE DISPOSED OF

In evidence against:

U.S. vs L. G. Barnard
Memphis, Tenn.

CERTIFICATE

I hereby certify that I obtained the property described in the above inventory from

A. G. Sutterfield
President Agent.

A. E. Andrews
Agent in charge.

No. 1

Received at WASHINGTON, D. C., on the AUG 15 1947 day of ....., 19....

of A. G. Sutterfield

....., Agen

the property described in above inventory.

J. M. Haley
Custodian.

No. 2

Received at .....

on the ..... day of ....., 19.....,

of .....

....., Custodian,

the property described in above inventory.

.....
Agent.

No. 3

Received at .....

on the ..... day of ....., 19.....

of .....

.....

the property described in above inventory.

.....
Agent.

2—5184

000357

REFER TO FILE No.
CC 10468

TREASURY DEPARTMENT

UNITED STATES SECRET SERVICE

NEW YORK, N. Y.

OFFICE OF SUPERVISING AGENT
DISTRICT No. 2

STATE OF NEW YORK AND TERRITORY OF PUERTO RICO
Post Office Box 804
Church Street Annex
New York 8, N.Y.

September 2, 1947

Mr. James J. Maloney
Chief, U. S. Secret Service
Treasury Department
Washington 25, D.C.

Sir: Subject: 1933 $20 Gold Coins

Reference is made to your C/M dated May 18, 1945, and subsequent correspondence pertaining thereto.

Under date of August 28, 1947 this office was advised by the United States Attorney for the Southern District of New York that the civil suit of Clarke vs Fred M. Vinson and this Agent, pending in that District, had been dismissed as of August 26, 1947, with prejudice and without costs; also that the gold coin involved in that case could be disposed of as the circumstances warranted. Accordingly all of the 1933 $20. gold coins, five (5) in number, which had been seized from Max Bernstein, James Bell, James Stack, Fred C.C. Boyd and T. James Clarke and were being held at this office as stated in our C/M dated July 16, 1945, have been forwarded with duplicate copy of inventory form 1544 to your office this date via Railway Express Agency, Money Division, covered by Government Bill of Lading T 30581.

Case will be considered closed in this District.

Very truly yours,

Harry W. Strang,
Agent.

Approved:

W. E. Baughman,
Supervising Agent.
Encl.

000676

Form No. 1588 (Revised)
MEMORANDUM REPORT
(7-1-60)

UNITED STATES SECRET SERVICE
TREASURY DEPARTMENT

ORIGIN Chief's Office | OFFICE New York, N.Y. | FILE NO. CO-10468

TYPE OF CASE	STATUS	TITLE OR CAPTION
Gold Coin	Closed	James A. Stack $20 Gold Coin (1933)
INVESTIGATION MADE AT: New York, N.Y.	PERIOD COVERED: 8-1 / 8-15-56	
INVESTIGATION MADE BY: SA George J. Sershen		

DETAILS

Reference is made to the Chief's O/M dated July 27, 1956.

Inquiry at the U.S. Attorney's Office, Southern District of New York, New York, N.Y., on August 15th, 1956 disclosed that on June 10, 1955 a Stipulation of Discontinuance with Prejudice was filed. Mr. Alfred P. O'Hara, Chief Assistant U.S. Attorney, Civil Division, advised that this case is now closed and that any coins involved in this case can be disposed of in accordance with Treasury Department regulations.

The Stipulation mentioned above indicates that the plaintiff's (Stack) case against the Government is dismissed and he is barred from making any further complaint in the same matter.

U. S. SECRET SERVICE
RECEIVED
AUG 15 1956
New York, N. Y.

000305

DISTRIBUTION	COPIES	REPORT MADE BY	DATE
Chief	Orig. & 2 cc	George J. Sershen, SPECIAL AGENT	8-15-56
New York	1 cc	APPROVED: [illegible], SPECIAL AGENT IN CHARGE	8-15-56

Copies to Bu M. 8-16-56

(CONTINUE ON PLAIN PAPER)

U. S. GOVERNMENT PRINTING OFFICE 15—61500-1

Detroit, Michigan

1933 $20 Gold Coin

Reference is made to previous reports on the above case.

On 20 June 1945, Mr. C. E. Williams called at the office and surrendered one $20 Gold Coin, 1933 issue. Mr. Williams stated that he had received a telegram from a prominent collector by the name of Boyd in New York, stating that Boyd had surrendered a coin secured under similar circumstances and, therefore, he (Mr. Williams) was surrendering his coin.

The coin was forwarded to the Chief in jacket, Form 1548, via registered mail on 21 June 1945. Certified Inventory, Form 1544, was also prepared, and the original and duplicate were forwarded to the Chief on the same date.

Unless otherwise directed, the case will be considered closed in the Cincinnati sub-district with the submission of this report.

Orig. & cc - Chief
cc - Central Files
SA New York
SA Philadelphia
SA Dallas
SA Detroit

U. S. SECRET SERVICE
TREASURY DEPARTMENT
RECEIVED
25 JUN 1945
CHIEF'S OFFICE

Cincinnati, Ohio 21 June 1945

0

Ralph W. Robuck, AAIC

Appr.: Wac

REFER TO FILE No. CO-10468

RECEIVED

TREASURY DEPARTMENT

UNITED STATES SECRET SERVICE

PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3

STATE OF PENNSYLVANIA

407 U. S. Custom House

May 5, 1944

INTERMEDIATE REPORT

Re: 1933 Double Eagle Gold Coins

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to previous correspondence on above subject, and your telephonic instructions of April 29, particularly with respect to coinage of 1931 and 1932 Double Eagles at the Philadelphia Mint, and their subsequent disposition.

As stated in our report of April 28, every effort is being made to locate records of Israel Switt to determine the source from which he obtained the 1933 Double Eagles which he is known to have disposed of particularly during 1937, which in the absence of any other specific sales dates, is the only definite year to which we can confine our inquiry at this time with regard to Switt's records. In this connection, an exhaustive search has been conducted by Switt and his accountant, Israel Rubin, in company with the reporting Agents, but no records of any kind could be found covering Switt's business activities prior to July 1939.

It will be noted upon examination of the photostatic copies of the checks issued by Macallister to Switt (attached to our report of April 28) that the second endorser on all of these checks is "Edward Silver" whom it develops has a gold-buying concession at 130 South 8th St., Philadelphia, the address also occupied by Switt. Feeling that there might be collusion between Switt and Silver, the latter was included in the investigation, and as Accountant Israel Rubin also keeps Silver's records, a request was made upon Rubin for same covering 1937, and also his Income Tax returns from 1937 to 1943 inclusive. Rubin transmitted this request to Silver who referred same to his Attorney, Emanuel Friedman, Fidelity-Philadelphia Trust Building, who has promised to consult with Silver and advise in due time as to his decision in the matter. While awaiting Attorney Friedman's reply an inquiry as to Switt and Silver's gold activities has been conducted at the Philadelphia Mint and disclosed the following data which may be of interest to the investigation:

Israel Switt, 5429 Sansom St., Phila., Pa. (Home address)
Licensed 6-12-34; revoked 9-1-34
Total gold deposits: $5,746.84

Edward Silver, 6039 Irving St., Phila., Pa. (Home address)
Licensed 9-14-34; lapsed 4-10-38
Afterward operating under Section 18, Gold Reserve Act of 1934, permitting acquisition and disposal of 35 Troy Oz. of fine gold in scrap form without a license.
Total deposits to 7-3-43:

1934	1935	1936	1937	1938	1939	1940
$34,527.97	$81,672.91	$50,204.50	$68,145.40	$133,030.57	$111,660.35	$109,823.50

1941	1942	1943
$93,823.75	$59,935.21	$15,179.07

The Mint records do not show any further gold deposits by Edward Silver after July 3, 1943.

It is apparent from the foregoing that following the revocation of Switt's gold license that Silver took over, ostensibly as the licensee; but it is known from information furnished to the undersigned Agents by Mint employees Graham and Pepper that Switt actually brought the gold to the Mint, with the deposits being made in Silver's name, and checks in payment were issued accordingly. While Switt and Silver profess to operate individually, the facts indicate that there is a working arrangement between them, as evidenced by the above.

There are attached photostatic copies of Switt's Income Tax Returns for 1936 and 1937. Your attention is invited to the amounts appearing thereon covering receipts, etc., for which no records now exist, and according to Accountant Rubin, none were apparently kept. Although Switt's business grossed in 1937 alone, $60,634.80, he paid no tax for that year, nor for any year until 1940, when he paid a total tax of $50.79 on a gross income of $59,850.41. All of which will be brought to the attention of the Intelligence Unit of this District in accordance with your prior instructions. Switt's returns for 1938 to 1943, inclusive, are also in our possession and photostatic copies will be furnished if desired.

As it is proposed, if necessary, to take similar action to the above with Ira Reed who also professes to keep no records of his coin transactions, it would appear in order that every effort be made to learn from the persons to whom Reed sold 1933 Double Eagles the exact dates and prices they paid for same, and if possible, obtain photostatic copies of the checks issued in payment. Accordingly, copies of this report are being furnished the New York and Chicago offices with the request that the above specified information be obtained from James Stack, Hotel Roosevelt, New York City, subject of Agent Connor's report of April 5, 1944; T. James Clarke, Jamestown, N. Y., referred to in our reports of April 13 and 28, 1944; and the transaction between

Reed and J. F. Bell of Chicago, in 1942, covered by Agent Goldman's report of April 22, 1944.

Efforts to interview Reed during the past week were without avail due to his being confined to his home by illness.

There is attached a summary showing the coinage and disposition of 1931 and 1932 Double Eagles, from which it will be noted that but a comparatively small amount of each year's mintage was circulated; which undoubtedly accounts for same having acquired a high numismatic value in 1937, as stated to the reporting Agents by James G. Macallister in enumerating his dealings with Switt and B. Max Mehl. In July of 1937, Macallister purchased one each of 1931 and 1932 Double Eagles from Switt for $75.00 a piece and sold same to Mehl for $100.00 each. The investigation has disclosed that in addition to 1933 Double Eagles, Cashier McCann also had a considerable quantity of 1931 and 1932 Double Eagles in his vault during the same period.

Referring to the information contained in our report of March 29, 1944, to the effect that one Stephen Nagy, 8 S. 18th St., Phila., had seen a number of 1933 Double Eagles in the possession of William H. Woodin at Washington, when Mr. Woodin was Secretary of the Treasury, it has been learned that Mr. Woodin was a coin collector but that his principal collection was sold at an auction in New York City about 20 years ago. That Woodin retained a quantity of coins until his death which were kept by his widow, but that Mrs. Woodin died in 1941 and within a year later, Woodin's collection was sold by the Executor of her estate - James Wade, Asst. Cashier, Chase National Bank, New York City, and the purchaser of same was Fred C. C. Boyd of New York City. However, it has been established through Mr. Macallister that no 1933 Double Eagles were contained in Woodin's collection when sold to Mr. Boyd.

On May 2, at Westmont, New Jersey, the reporting Agents checked on the present whereabouts and activities of George A. McCann. It was learned that he is at present residing at 29 Cuthbert Blvd., a 4-family apartment house which he owns, having sold his detached residence property at 212 Stratford Road about three years ago. McCann was observed working in a clerical capacity at the office of the Muller Realty Co., 10 Haddon Avenue, Westmont, New Jersey. It is not our intention to interview McCann in the matter until after all possible data has been obtained from Switt and Reed.

Louis Frizzle, Vault Custodian at the Philadelphia Mint since October 16, 1936, on which date he succeeded Edward McKernon, died at his home in Delaware Gardens, New Jersey, on May 3, 1944. Mr. Frizzle had been interviewed by the reporting Agents, and questioned in detail as to his records, as stated in our report of April 21, 1944.

The investigation will be continued along the lines indicated in this report and prompt report made of further developments.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Approved:

Fred W. Gruber
Supervising Agent

Encl.

cc: SA New York (w/encl.)
cc: SA Chicago

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT
UNITED STATES SECRET SERVICE
PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3

STATE OF PENNSYLVANIA

407 U. S. Custom House

1944 APR 22 AM 10 52

April 21, 1944

INTERMEDIATE REPORT

Re: 1933 Double Eagle Gold Coins

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, D. C.

Sir:

Reference is made to previous reports on above captioned case, particularly our report of April 7, your IOC dated April 12, with respect to John Carey, former Mint bookkeeper; and the features covered during our conference at your office on April 14, 1944.

As brought out in our report of April 7, the investigation is being continued along the lines of developing all the pertinent data possible with which to confront Messrs. McCann, Reedand Switt at the time their questioning is considered most opportune, as past experiences with these persons have shown them to be very uncooperative and evasive, and that they will only admit to those facts that can either be proven, or shown to their satisfaction.

In the above connection since our report of April 7, we have interviewed and closely questioned present Assistant Cashier Ernest Ingram; former foreman Charles F. Rumpf, who was arrested with McCann for theft of uncurrent coin; Louis Frizzle, Vault custodian since October 16, 1936; former Assistant Superintendent Ralph Roland; former Cashier's Clerk Thomas Golden; former bookkeeper John J. Carey; Mrs. Anna Tibbals Espenship, formerly in charge of numismatic coin sales; as well as a supplemental questioning of present Cashier, Willard Boyce; with the following developments:

From Rumpf and Frizzle it was learned that on an occasion during the spring of 1934 when they were removing gold coins from Vault F-Cage 3, for melting, they found five Double Eagles loose in a bin. That Edward McKernan was present also, and that these coins were turned over to McCann. No subsequent accounting or disposition has been found of them. Rumpf also confirmed his previous statement, copy attached, (and the statement of Anthony Zimba referred to in our report of April 7,)

000500

that McCann made a practice of running his hands through coins being weighed, as a possible means of pilfering. Louis Frizzle, who was interviewed at his home in Delaware Gardens, New Jersey, was shown his vault records, photostat attached, and explained the date October 16, 1936 as the time he took custody of the vaults (vice McKernan), and the entry of "2-3-37--$5000. missing" as the shortage discovered that date, which has been the subject of previous investigations by other Agents of this Service. Frizzle explained the slipshod condition of his records, involving many millions of dollars, as a condition and practice he had inherited from McKernan; but which has since been corrected.

Former Assistant Superintendent Ralph Roland was contacted and interviewed for a short time on April 11, at his home, 4829 Larchwood Avenue, West Philadelphia. Mr. Roland appeared cooperative but could not discuss the matter at length as he was then returning to his country home at New Holland, Pennsylvania. He has, however, agreed to a further and more extensive interview in Philadelphia on April 21, the result of which will be duly reported.

Neither Assistant Cashier Ingram nor former Cashier's Clerk Thomas Golden could advance any information of interest to this inquiry, claiming that they had not observed anything about McCann's actions which might be considered irregular. Golden did state, however, that during his service as Cashier's Clerk during 1937, he had observed gold coin being kept in the vault connected with the Cashier's office, and which coin was accessible to the Cashier, being in bags under the Cashier's seal.

Cashier Boyce supplemented his previous statement with the information that on at least one occasion he had seen McCann (then Cashier) come into the Deposit Weigh Room with a number of gold coins and weigh them. This action is regarded as significant to this inquiry, upon the theory that the 1933 Double Eagles which are known to have gotten into the hands of collectors, may have been substituted as to weight and value on the cashier's books, by Double Eagles of prior years mintage and having no numismatic value, as the Cashier would not ordinarily have any occasion to weigh gold coins, especially a handful of them, such as Boyce asserted he had seen take place, unless he was unduly interested in weights. Boyce reiterated his willingness to try and obtain information from Reed, if so desired, but for obvious reasons, he was requested not to do so at this time.

On April 17, at 309 Victoria Road, Glassboro, New Jersey, John J. Carey, bookkeeper at the Philadelphia Mint until November 1933, was interviewed as directed by you. Mr. Carey stated that while he had no direct knowledge of the circulation of the 1933 Double Eagles, he was reasonably certain that McCann had a hand in same, as he knew McCann to be a crook and had so branded him as far back as 1926, when

during the absence of the regular bookkeeper, Frank N. Thompson, and while Carey was substituting in that position, (McCann was then foreman of the Transfer Weigh Room), Carey had caught a discrepancy of 500 oz. of fine gold ($10,000) in McCann's records over a period of one month, and Carey reported the matter to then Assistant Superintendent and Chief Clerk Chaffin (deceased); that following a meeting in a hotel at Broad & Catherine Streets, Philadelphia, between Chaffin, Ralph Roland and Dr. Chester W. Ziegler (deceased), who was Assayer until February 16, 1938, the shortage was charged off on the Mint's records as "wastage". Carey stated that Chaffin, Roland, and Ziegler ran the Mint and that McCann was their "whippersnapper" or did their bidding. That all secret sessions of this clique were held at the hotel, Broad & Catherine Streets, of which Carey was the manager, and had full knowledge of their actions. Carey stated that he had no knowledge of Ira Reed, as during his period of employment at the Mint or while Dr. Ziegler was Assayer, one Henry Chapman of 333 S. 16th St., Philadelphia, a personal friend of Ziegler's had exclusive numismatic privileges at the Mint.

Mr. Carey also furnished the following as a possible solution to the disappearance of the $5000 bag of Double Eagles (1928 mintage) from Vault F-Cage 1, the loss of which was discovered on February 3, 1937. That upon the sealing of this Vault and Cage on June 27, 1933, after checking by the Settlement Committee, an ample opportunity was afforded for the theft on the part of the person assisting the Committee as "Representing the Supt. of the Mint"- who was George A. McCann- for the reason that this Committee, consisting of Charles Gammon, Leonard Morgan, and F. S. Fletcher, was not a vigilant one, but whose inspections were of a cursory type and they left most of the details to the Mint representative. That in view of their lethargy, McCann could easily have taken the missing bag from the bin, located in the rear of the cage, place it inside his shirt and after sealing the cage, take the bag to a place of concealment in his own department, subsequently removing the coins in small quantities from the Mint.

Mr. Carey said he knew the members of this Settlement Committee personally and they were more concerned with their own affairs than with their duties as Settlement officers. Mr. Carey's conclusions as to the time of occurrence (June 27, 1933,) are borne out to a considerable extent by the report of February 5, 1937 rendered by former Supervising Agent Landvoight with respect to the dust accumulations existing on other bags in the bin and the place from which the bag was taken. Carey's statement as to the incompetence of the Committee is also verified by the facts brought out in the last paragraph (page 2) of Mr. Landvoight's report referred to.

The possibility of 1933 Double Eagles having been circulated by Henry Chapman, numismatist, herein referred to, was duly investigated. Upon interviewing Miss Ellen Wright, at present conducting Mr. Chapman's business at 333 S. 16th Street, it was learned that Mr. Chapman died in

January, 1935, and for three years prior to his death he was inactive due to illness. Miss Wright stated that she had been employed by Mr. Chapman for the past twenty years and knew positively that Chapman or herself had never obtained or disposed of any 1933 Double Eagles in any manner whatever. Miss Wright also denied any dealings whatever with Israel Switt. That they had dealings in recent years with Ira Reed but not involving 1933 Double Eagles.

In accordance with arrangements made by you personally on April 14 with Dr. Leland Howard, Acting Director of the Mint, with respect to our photostating Mint records, on April 18 at the Federal Reserve Bank of Philadelphia photostats were made of Frizzle's records, previously referred to, as well as all records made by former Vault Custodian Edward McKernan, pertaining to the custody and control of 1933 Double Eagles, and showing in detail the manner in which balancing entries were inserted by McKernan, but no explanation furnished as to what disposition was made of the coins, as outlined in the typewritten analysis furnished with our report of April 7, 1944. Two (2) complete sets of these photostats are attached for your information. A set has also been furnished to the Supt. of the Philadelphia Mint.

As directed by you, the matter will also be approached from an income tax return angle, particularly as to Israel Switt and Ira Reed, both of whom sold these coins for high prices. In that connection, it is desired that the New York office take up with Abe Kasoff, 50th St., and Madison Avenue, New York City, to obtain a detailed accounting of Kasoff's dealings with Switt with respect to the two (2) 1933 Double Eagles which Kasoff obtained from Switt about 1939; as well as their subsequent disposal by Kasoff, one of which reportedly was sold by Kasoff to Sol Kaplan, Cincinnati; and the other to a party named Hammel or Hummel of New York City, then to Ira Reed, then to J. F. Bell, and seized by this Service in New York City on March 25, 1944.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Encl.

Approved:

Fred W. Gruber
Supervising Agent

cc: SA New York w/encl.

000503

(C O P Y)

May 31, 1940
Philadelphia, Pa.
6000 U. S. Court House

SUPPLEMENTAL STATEMENT OF CHAS. P. RUMPP

I began taking uncurrent coin from the Counting & Weigh Room, United States Mint, Philadelphia, Pennsylvania, about three (3) years ago. I would take a little at a time, and have never taken very much at any one time. The greatest amount I have ever taken at any one time was that you found in my pockets and in the desk, in the Counting & Weigh Room at the Mint on May 29, 1940.

I think I have taken a total of about $250.00.

Since this thing has happened, I can recall several incidents which now look suspicious to me in the actions of Mr. McCann, when he would come into the Counting & Weigh Room. Up until a year and a half ago, he just came in occasionally, but since then, he has made more frequent visits. The employees in the Mint are so used to handling coin that they do not play with it in their hands. But I now recall that Mr. McCann, while standing at the boxes filled with uncurrent coin on the trucks, would be handling the coin. It has also only been recently that he would tell me to phone him when the uncurrent coin were ready to be counted. It now occurs to me as suspicious that he would come in the Counting & Weigh Room and voluntarily do laborious work, such as moving the empty boxes and stacking them up, when he could just as well have sat at the desk and placed the weights on the tags.

(Signed) Charles P. Rumpp
Charles P. Rumpp

Personally appeared before me, the undersigned authority, Charles Rumpp, who, having been duly sworn according to law, affixed his signature above.

Witnesses:

(Signed) Henry F. Tyson
Agent, U. S. Secret Service.

U. E. Baughman

Valentine Matelis

000504

(C O P Y)

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT
UNITED STATES SECRET SERVICE
PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3

STATE OF PENNSYLVANIA

407 U. S. Custom House

May 19, 1944

INTERMEDIATE REPORT

Re: 1933 Double Eagle Gold Coins

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to our report of May 12, 1944, wherein it was stated another interview was to be had with Attorney Emanuel Friedman on May 15, 1944, relative to his attitude in withholding information pertinent to this investigation.

On May 13, Attorney Friedman contacted the reporting Agents and agreed to have Edward Silver available for an interview at Friedman's office at 2:30 P.M., May 16, 1944; Friedman also agreed to turn over Silver's Income Tax returns for the years 1936 to 1943 inclusive, excepting 1937, which, it was stated, was not found by Accountant Israel Rubin. Accordingly those listed were secured and photostated, copies of which are submitted herewith, and quite possibly will be of interest to an Income Tax inquiry. It will be noted that although Silver's business grossed close to $200,000.00 annually, he paid little or no income tax during those years.

On May 16, Edward Silver was interviewed as outlined above and stated that he had been engaged in the gold-buying business since March 1934. That he disposed of his gold to the Philadelphia Mint; Goldsmith Brothers Refining Company of New York City; The General Alloy Company of Newark, New Jersey; and Kushner and Pines of New York City; but that at present he was dealing with the Irvington Smelting and Refining Company of Irvington, New Jersey. All of these concerns are known to the investigating Agents to be reputable except Kushner and Pines -- who will be discussed later in this report. Silver also stated that he visited the Philadelphia Mint four or five times weekly but that the only employees there that he knew were Jacob Pepper and Robert Graham of the Deposit-Weigh Room, and former Assistant Superintendent, Ralph Roland. Silver denied knowing George McCann, former Cashier, or that he had any coin transactions with the Cashier's office. Silver also denied that he had ever handled any gold coin or that he had any financial interest in the 1933 Double Eagles disposed of by Switt, and that his signature as second endorser on the checks issued to Switt by Macallister was due to banking accomodations only, --- despite the fact

that Macallister informed us that he had heard Switt discuss same with Silver and Silver had to approve the sale prices before the sales could be made. Attorney Friedman refused to allow Silver to answer any questions regarding the description of gold Silver had forwarded to Kushner and Pines without further consulting Silver and Switt. It was obvious during the interrogation of Silver that he was not telling the truth, especially with regard to Switt's transactions with Macallister.

Attorney Friedman declined to permit either Switt or Silver to take a lie-detector test, but stated that he would again consult with his clients and determine if they could be of assistance in clearing up the disappearance of the 1933 Double Eagles from the Mint, without incriminating or unduly involving themselves, or others whom he intimated were more directly concerned in the matter. Mr. Friedman stated he would advise in due time as to the result of his consultation and decision in the matter.

In connection with the foregoing on May 18, 1944, in the presence of Superintendent Edwin Dressel at the Philadelphia Mint, Cashier Williard Boyce informed these Agents he knew positively that Edward Silver knew George McCann and that he (Boyce), when Assistant Cashier, had seen McCann and Silver frequently in conversation. This statement was confirmed to a considerable extent by Jacob Pepper, now foreman of the Deposit-Weigh Room, who stated that on different occasions Silver would make inquiry regarding payment for his gold deposits and upon being furnished the deposit number would proceed to McCann's office in plain view of Pepper; thus refuting Silver's statement on May 16, that he did not know McCann.

On May 17, 1944, Ira S. Reed was again questioned in this matter and his cancelled checks for the period 1937 to 1943 examined for any checks which may have been issued to Israel Switt for purchases of 1933 Double Eagles in view of Reed's former statement that he paid Switt by check. The checks examined showed no payments to Switt but did show a payment of $150.00 to Silver which Reed stated represented the purchase of silver coins. Reed then stated he had evidently paid Switt in cash, although no record in his books could be found that would identify such purchases or payments. The check for $1250.00 dated September 30, 1943, given to Reed by James Stack, New York City, covering the purchase of 1931, 32, and 33 Double Eagles as covered by report of Agent Lipson, New York City, May 11, 1944, was not deposited by Reed, who has his account with the Union Bank and Trust Company of Souderton, Pa., but instead was endorsed over to the Morris Plan Bank, 17th & Arch Sts., Philadelphia, in payment of a $1000.00 loan made to Reed on August 12, 1943. Reed will again be interviewed in the matter upon receipt of information from the New York City and Chicago offices as to payments to Reed by T. James Clarke of Jamestown, N. Y., and J. F. Bell of Chicago, as brought out in previous reports.

Regarding the refining concern of Kushner and Pines of New York City, herein referred to, on the occasion of our first interview

with Israel Switt on March 30, 1944, he admitted having business relations with Bernard Kushner who conducted that business, as well as one Jack Rubin also of New York City, and that it was Rubin who informed him that Max Berenstein had termed Switt a "red-headed Philadelphia sucker" for disposing of 1931 and 1932 Double Eagles in 1936 to Berenstein for their bullion instead of their numismatic value, because of Switt's alleged ignorance of same. An examination by these Agents of Switt's records for 1939 also show dealings with Kushner and Pines.

Both Bernard Kushner and Jack Rubin are known to these Agents as receivers of stolen goods. It was Jack Rubin, then trading as the London Gold and Gem Company, 47th St. near 6th Avenue, New York City, who received the jewelry stolen from the Waldorf-Astoria Hotel, New York City in 1939 and Kushner who melted it. Rubin was convicted, appealed, and is now serving a seven-year sentence in Sing Sing Prison for that offense. Kushner was held as a witness but not prosecuted due to having recorded the jewelry as "scrap". While Rubin was at liberty on appeal, he worked for Kushner, a gold buyer, and between them, they received gold bullion smuggled in from Canada at Buffalo for which Kushner, Rubin, et al, were arrested by this Service (J-2-27307-S) and for which Kushner is now serving a four-year sentence in Lewisburg Penitentiary.

As Switt has stated to James G. Macallister "we melted up a whole bag of $20.00 gold pieces" and similar information has been intimated to your Agents by Attorney Friedman, it is possible that this feature may throw some light on the disappearance of the $5000.00 bag of Double Eagles discovered missing from the Mint on February 3, 1937, as well as the 1933 Double Eagles now under investigation. Accordingly it is considered advisable for the reporting Agents to interview Kushner, if possible, at Lewisburg Penitentiary, which will be attempted on or about May 25, 1944.

The advisability of the reporting Agents interviewing Jack Rubin at Sing Sing Prison will be considered subject to your approval following the outcome of Kushner's interview, which, with any other developments in the matter, will be duly reported.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Encls.

Approved:

Fred W. Gruber
Supervising Agent

cc: SA New York (w/encls.)
cc: SA Chicago

Statement of Willard S. Boyce, made in the Office of the Superintendent of the U. S. Mint, Philadelphia, Pennsylvania, at 2:30 P.M., June 6, 1944, in the presence of Superintendent Edwin H. Dressel, and Secret Service Agents, George C. Drescher and Harry W. Strang.

I, Willard S. Boyce, do hereby make the following voluntary statement:

On January 12, 1937, I was detailed to the Office of the Cashier of the Philadelphia Mint pending formal approval of the appointment to the position of Assistant Cashier. The Cashier at that time was George McCann. My duties were to assist Mr. McCann in the conduct of the Cashier's Office. I was employed in that capacity until December 1, 1940, when I was appointed to the position of Cashier, succeeding Mr. McCann.

During the period January 12, 1937 to December 1, 1940, I became cognizant of a Gold Depositor named Edward Silver. It was Edward Silver's custom to make inquiry at the Cashier's Office regarding payments due him for Gold Deposits. He would make these inquiries by telephone and in person, and, on several occasions during the period stated above, I have seen him in conversation with Mr. McCann and, from their attitude, there was no doubt in my mind that they were acquainted with one another. The nature of their conversations I do not know, but I do know that on occasions when 'phone inquiries would be made by Mr. Silver, and he talked with Mr. McCann, I would know that it was Mr. Silver who had telephoned because Mr. McCann would instruct me to look up Mr. Silver's check.

I have had the stenographic notes comprising this statement read to me, and have had the opportunity to make any correction I might desire. There being none, I hereby declare this statement to be the truth.

Willard S. Boyce
Cashier, U.S.Mint,Phila.

WITNESSES:

Edwin H. Dressel
Superintendent, U.S.Mint,Phila.

George C. Drescher
Agent, U. S. Secret Service

Harry W. Strang
Agent, U.S. Secret Service

000896

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT
UNITED STATES SECRET SERVICE
PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3
407 U. S. Custom House
STATE OF PENNSYLVANIA

1944 OCT 16 AM

October 13, 1944

Re: 1933 DE Coin Investigation

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to IOC of October 10, 1944, wherein you were advised that subject investigation had been resumed by the reporting Agents as of October 9, 1944.

On October 10, advice was received from Attorney Emanuel Friedman, representing Israel Switt and Edward Silver, principals in this matter, that his clients had no further information to offer as to the origin of the 1933 Double-Eagles which they had circulated, and which are the subject of this investigation.

As questioning of George A. McCann, former cashier of the Philadelphia Mint, had been deferred until such time as the above feature had been decided upon, these Agents immediately proceeded to Westmont, New Jersey, and on the same date (October 10th) interviewed McCann at Muller's Real Estate Office where he is presently employed. McCann was questioned in detail regarding his custody and control of the 1933 Double-Eagles which were turned over to the Cashier's office following their examination by the PYX Committee of 1934, his knowledge and possible dealings with Switt and/or Silver, and any explanation which he might have to offer as to the unauthorized circulation of these coins, as well as the forwarding of two (2) 1933 DE to the Smithsonian Institute in October 1934 - particularly as to the location of vault or safe from which these coins were obtained. McCann denied having custody at any time of the 1933 DE turned back by the PYX Committee, stating that the PYX box containing these coins was always in the custody of the Vault Custodian Edward McKernan, who had the only key to the box, and that when the coins were finally removed from the box they were placed in the gold coin stock of Vault F, to which access could only be had by McKernan and his assistant John Bready (deceased) and that at no time were these gold coins placed in the Cashier's vault where he could have access to them. McCann further stated that after the Gold Reserve Act of 1934 became effective he had no gold coin in his actual custody except such coin as might be turned in to him by

depositors or received through the Federal Reserve Bank. McCann stated that the forwarding of the gold coins to the Smithsonian Institute would be handled entirely by McKernan, he (McCann) merely relaying the instructions to do so to McKernan who would obtain same from the gold stock and attend to the actual shipping. Regarding Switt and Silver, McCann stated that he knew of Switt as a depositor, and the fact that he had been in trouble in August 1934 when Switt was apprehended by the Philadelphia Police with a quantity of gold coins which he was allegedly taking to Baltimore, but that he did not know Switt personally and that he had never heard of Edward Silver. As to the possible manner in which the 1933 DE became circulated, McCann professed to have no knowledge, but intimated that McKernan or Bready would have the best opportunity to obtain these coins because of his contention that these men had carte blanc authority to enter the gold vault whenever they pleased and that "McKernan held the only key to the PYX box".

Regarding the $5000.00 (face value) bag of DE discovered missing February 3, 1937, from Vault F, Cage 1, of the Philadelphia Mint, McCann was apparently very much agitated, especially by reason of the fact that he has been notified that his Retirement funds amounting to $1986.98 had been attached by the Government and that attempts are being made to recover the actual value of the above mentioned bag $8465.32, from his bonding company; as covered by your IOC to the Philadelphia office under date of September 8, 1944. As to this feature McCann definitely pointed the finger of suspicion toward McKernan, repeating that McKernan had free access to the vault, that he had been known to display and spend gold coins outside the Mint, as brought out in the previous investigation of McKernan, with which McCann appeared to be somewhat familiar, and the fact that McKernan had been arrested in connection with same. McCann also stated that a good opportunity for this theft to have occurred was on Sunday, March 5, 1933, the day following President Roosevelt's inauguration, when an emergency shipment of gold coin was made to various Federal Reserve Banks to stabilize banking conditions. That date, according to McCann, was the only occasion with the exception of the installation of protective devices on October 20, 1936, when Vault F, Cage 1, was opened, prior to the loss of the bag being discovered on February 3, 1937. McCann said nothing regarding the opening of the Vault on or about June 7, 1933, by a Settlement Dommittee, when the records show he acted as the representative of the Superintendent of the Mint, and had free access to all parts of this Vault, the contents of which were certified to but apparently not checked by this Committee. In the interest of possible future litigation he was not apprised of this feature. Following a two-hour interview with McCann, during which there were interruptions connected with the real estate business, an attempt was made to make a further appointment with him. This he declined to do without the sanction of his attorney Thomas J. Minnick, Jr., of Philadelphia. Mr. Minnick was interviewed by these Agents on the following day (October 11) but after consulting with McCann, refused to have him again questioned in the matter, stating that McCann's health would not permit it. McCann claims to be suffering from epilepsy.

In view of McCann's assertions regarding Edward F. McKernan, former Vault Custodian and Shipper of the Philadelphia Mint during 1933, 1934, 1935 and until October 31, 1936, when he retired and who has been the subject of a former investigation during 1937 concerning the loss of the $5000. bag of DE discovered missing February 3, 1937, the reporting Agents interviewed Mr. McKernan on October 11, 1944, at his home, 2038 South Frazier Street, West Philadelphia. Mr. McKernan proved to be very cooperative on this occasion and readily discussed the shipping of gold from the Mint on Sunday, March 5, 1933, the handling of the PYX box and its contents, the opening and sealing of Vault F, Cage 1, on June 7, 1933 and October 20, 1936, the manner in which coins were forwarded to the Smithsonian Institute, and advanced information of a tangible nature which he felt might possibly account for the 1933 DE getting into circulation. Mr. McKernan's statements are in direct contradiction to those made by McCann, and to a considerable extent were verified by inquiry at the Philadelphia Mint. The shipping of gold on March 5, 1933, according to McKernan, was supervised by former Assistant Superintendent Fred H. Chaffin, and all gold had been removed from the vault to the shipping room when McKernan arrived on duty, he having been somewhat late in arriving due to having attended the Inauguration at Washington the previous day. McKernan stated that the locking of the PYX box and the custody of the two keys to different locks securing same, was never the duty of the Vault Custodian, but a key to each lock was kept by the Assayer and Cashier respectively, and the same system exists to this time, so that the box cannot be opened or locked unless both Assayer and Cashier use their keys to do so. During the activities of the Settlement Committee, as of June 7, 1933, McKernan and his assistant would not have been admitted to the vault by the Committee, whereas McCann's official capacity at that time would have required him to be there. McKernan further advised with regard to the PYX box which would have contained the 1933 DE, that after the PYX Committee had finished their examination of the contents and it was locked by the Assayer and Cashier, it was placed in the Cashier's working vault in the basement, and following the approval at Washington of the PYX Committee's report the contents would be removed by the Cashier and kept, usually in two bags, in the vault of the Cashier's office and accessible to the Cashier only. During that period of handling (1934) George A. McCann was Cashier, and Chester W. (Doc') Ziegler was Assayer. Ziegler committed suicide on February 16, 1938.

As a possibility to account for the unauthorized circulation of the 1933 DE, McKernon stated that following the death on June 17, 1936, of Fred H. Chaffin, Assistant Superintendent of the Mint, Doc' Ziegler came to him and asked for a canvas coin bag and a seal, stating that Chaffin had accumulated a quantity of coins of numismatic value in his vault, and it was proposed to ship them to New York City for sale; also that McKernan believed Ralph Roland had issued the pass for the bag to be taken out. Mr. McKernan stated that he would gladly grant another interview in the matter whenever desired, as he was anxious to do anything he could to clear up the 1933 DE inquiry or the loss of the $5000. bag.

At the Philadelphia Mint on October 12, these Agents interviewed Edwin H. Dressel, Superintendent; Mrs. Helen Moore, Assistant Superintendent; Mrs. Mann, former secretary to Doc' Ziegler; Mrs. Martha Richardson, sister of Fred H. Chaffin, and who resides with Mrs. Elizabeth Chaffin, his widow, who is blind. Mr. Dressel advised that lists of both Chaffin's and Ziegler's effects taken from the Mint, had been furnished to him at that time, and he would make a search for same; but that he did not know of Chaffin's effects having contained any coins. Through Mrs. Richardson it has been determined that Doc' Ziegler had disposed of Chaffin's coins to an unknown dealer and a check for same on a New York bank was turned over by Ziegler to Mrs. Chaffin. It was Mrs. Richardson's recollection that the collection contained silver coins, but according to Mrs. Mann there were some gold coins also. Ziegler is said to have been the Executor of Chaffin's estate, and following Ziegler's suicide Ralph Roland disposed of his personal affairs, having obtained a Power of Attorney from him the day preceeding his death. Roland and McCann therefore are the only remaining ones of the once powerful clique, styled by the present Assistant Superintendent Mrs. Helen Moore as the "Four Horsemen", who allegedly controlled the affairs of the Philadelphia Mint to their own liking for many years during the period concerned with this investigation. It is proposed by these Agents to investigate the estates left by the deceased Chaffin and Ziegler, and to again interrogate, in this connection, Ralph Roland, who retired from the Mint Service on September 30, 1942, and is at present residing at New Holland, Lancaster County, Pa., with a view of determining any connection Chaffin, Ziegler, or Roland may have had with the unauthorized circulation of the 1933 DE.

In view of the uncooperative attitude of Israel Switt and Edward Silver, as imparted by their attorney and narrated in the beginning of this report, it is suggested that your original instructions, in the matter with respect to invoking an Income Tax investigation of both of those parties, be followed at this time. It is the opinion of the reporting Agents that during the course of this investigation information highly suggestive of Income Tax evasion on the part of Switt and Silver has been disclosed which should be brought to the attention of the proper Agency, and your further instructions in that connection are awaited.

Very truly yours,

Harry W. Strang
Agent

Charles B. Rich
Agent

Approved:

Fred W. Gruber
Supervising Agent

cc: SA New York

HWS:CBR:eb

U. S. SECRET SERV. ~~44~~

Treasury Department

FROM CHIEF: Date 7-22-44

To: Jim Haley

Mr. Maloney

Mr. Albert

Mr. Neal

Mr. Bowen

Mr. Reilly

Mr. Anheier

REMARKS

Princess General Counsel gives us written advice that we may retain this coin or starts a seizure action we should return it.

T.J.H.

Summary Report (July 44)

000874

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT

UNITED STATES SECRET SERVICE

PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3
407 U. S. Custom House
STATE OF PENNSYLVANIA

July 15, 1944

SUMMARY REPORT

Re: 1933 Double Eagle Gold Coins.
Minted at Philadelphia, Pa.
Unauthorized circulation.

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to your IOC dated July 12, 1944, directing that a Summary Report be submitted covering the current investigation of above matter.

On or about March 24, 1944, this Service received information that there was listed for auction at the place of business of Stack Brothers, Numismatists, 12 East 46th Street, New York City, one (1) 1933 Double Eagle ($20. gold piece) minted at Philadelphia. As it was known that but two (2) coins of this mintage had been officially circulated and those coins were in the possession of the Smithsonian Institute, Washington, D. C., an immediate inquiry was conducted to determine the validity of the coin advertised, the manner of its circulation, and the extent of this practice. The coin in question was turned over to this Service by Stack Brothers, who advised that same was the property of a Colonel J. W. Flanagan, Palm Beach, Florida, who had purchased it November 26, 1937, from B. Max Mehl, coin dealer, Fort Worth, Texas; this coin was pronounced genuine at the U. S. Assay Office, New York City.

Subsequent investigation has developed the definite circulation of nine (9) coins of this mintage, one each of which were found to be in the possession of the following named persons; who are well-known coin collectors:

J. F. Bell, Chicago, Illinois.
Max Berenstein, New York City.
T. James Clark, Jamestown, New York.
L. G. Barnard, Memphis, Tennessee.
Fred C. C. Boyd, New York City.
Col. J. W. Flanagan, Palm Beach, Florida.
Charles Williams, Cincinnati, Ohio.
James Stack, Hotel Roosevelt, New York City.
Egyptian Legation (King Farouk) Washington, D. C.

The rumored existence of any other 1933 Double Eagles has been carefully investigated, but up to this time found to be without foundation in fact. The coins of Flanagan, Berenstein, and Bell were surrendered to this Service; the other possessors of such coins have been contacted and agreed to withhold disposal of their respective coins until this matter is settled.

The manner in which the foregoing named persons came into the possession of these coins was found to be somewhat involved and required extensive tracing throughout the United States as these persons had bought their coins in good faith from various reputable dealers, and some coins had changed owners numerous times. It was finally developed that all nine (9) coins were originally circulated in Philadelphia, between February 15, 1937, and an undetermined date in 1939, by Israel Switt and Edward Silver, old gold dealers, at present located at 130 South Eighth Street, Philadelphia. The first sale of one 1933 Double Eagle being made by Switt on February 15, 1937 to James G. Macallister, 1528 Walnut Street, Philadelphia, for $500.00; Switt made four similar sales to Macallister during 1937 - also a sale of one coin to Abe Kasoff of New York City, and three coins to Ira Reed of Philadelphia, between 1937 and 1939. Switt was subjected to a thorough questioning by these Agents and admitted having made the sales described, but refused to divulge the source from which he obtained the coins in question. Tracing of the checks issued in payment by Macallister to Switt developed that same bore the second endorsement of Edward Silver, and were deposited in the bank account of Silver carried in the Central-Penn National Bank of Philadelphia. Questioning of Macallister developed that Silver had to approve the purchase price of all of the coins sold to Macallister before the five deals could be consummated. During these transactions Switt gave Macallister various sources from which he obtained the coins, all of which have been investigated and found to be untrue; he did, however, inform Macallister on the occasion of the last sale of a 1933 Double Eagle to him during July 1937 that "My partner Ed can get all he wants of these, as we had 25 and only sold 14", also "We melted up a whole bag of $20 gold pieces". Macallister stated that he became somewhat apprehensive of this statement and declined to purchase any more of the coins. Following the questioning of Switt, both he and Silver engaged the services of Emanuel Friedman, Attorney-at-Law, Fidelity-Philadelphia Trust Building, Philadelphia, and any further contact with them necessarily was conducted through that medium, with negative results.

Inquiry into the past history and dealings of Switt and Silver has developed that they are brothers-in-law, and that Switt, a former pawnbroker's clerk, operated actively as an old gold buyer until July 1934 when he was arrested by the City Police, having been found in possession of gold coins to the value of $2000.00 at the Pennsylvania Railroad station while allegedly enroute to Baltimore.

Following the confiscation of those coins, Switt's gold license was revoked, and he was succeeded as the licensee by Silver as of September 1934. It has been developed that Silver was quite active as a gold buyer from that time until July 1943, that he made frequent trips weekly to the Philadelphia Mint and on numerous occasions was observed in conversation with George A. McCann, Cashier, there from March 1934 to May 1940, when McCann was arrested by this Service for the theft of uncurrent silver coin.

The custody and control of 1933 Double Eagle coinage in the Philadelphia Mint has been thoroughly investigated developing that Double Eagles to the amount of $8,910,000 were minted, of which $8,900,680. were classified as uncurrent and placed in a sealed vault, and $9,320. (or 466 pieces) were held out and disposed of in the following manner: $8,920. (446 pieces) were reserved for the PYX Committee; $400.(20 pieces) were forwarded to the Director of the Mint. Of the quantity handled by the PYX Committee $180 (9 pieces) were destroyed and $8,740 (437 pieces) were turned over to the Cashier on February 20, 1934. The acting Cashier at that time was Hibberd Ott who was in poor health and has since died, being succeeded on March 19, 1934 by George A. McCann, referred to above. The 20 coins forwarded to the Director of the Mint for laboratory purposes have been fully accounted for by that Bureau. The 437 1933 Double Eagles delivered into the possession of the Cashier by the PYX Committee apparently remained in the Cashier's office until the melting of gold coin at the Mint in 1937, and it has been definitely established that McCann had access to this coin on October 2, 1934, as on that date two (2) coins of this mintage were forwarded by him to the Curator of the Smithsonian Institute, and there is nothing to show that he obtained same from the sealed vault containing the bulk of this coinage.

During the course of this investigation it has also developed that in May 1936 a quantity of 1931 and 1932 Double Eagles began making their appearance with coin dealers in New York City and Philadelphia, whereas prior to that time these coins were considered rarities, being quoted in coin catalogs of 1936 at $75.00 per coin. Inquiry into this feature developed that on May 21, 1936, Israel Switt sold 12 of these coins to Max Berenstein of New York City for $40.00 each, and made similar sales to James Macallister of Philadelphia, and Jack Rubin of New York City on two different occasions. The disposal of the mintage of these coins was also accounted for by these Agents developing that but a very small quantity of 1931 and 1932 Double Eagles were shipped from the Philadelphia Mint, being disposed of during those years in small quantities and to coin collectors who made special requests for same to the Mint, or through the U. S. Treasurer's office; there is no record of either Switt or Silver having made such purchases. According to James Macallister, a recognized numismatist of high standing, none of these coins were in circulation among collectors for several years prior to May 1936 when Switt and Silver began circulating them.

Examination of Mint records has disclosed that George A. McCann, also had a considerable quantity of 1931 and 1932 Double Eagles in his custody as Cashier during the same period and under similar conditions as the 1933 Double Eagles, same having been turned over to the Cashier's office by PYX Committees in February 1932 and 1933.

Investigation into McCann's personal financial status and activities has developed that in 1934 he began playing the stock market although his salary was $2421.79, and he had a dependent wife and child, and that while his salary up until 1939 did not exceed $3087.84 his financial worth during that period was as follows:

1934	1935	1936	1937	1938	1939
$6560.26	$10,989.62	$20,397.68	$12,887.51	$170.73	$8640.00

The decreases in net worth during 1937 and 1938 as shown above, were due to substantial losses in the stock market during those years. McCann's thefts of uncurrent silver coin took place in 1939 and 1940. Deposits of cash or currency in McCann's brokerage accounts not traceable to any known source or income or funds during the years 1934 to 1939, inclusive, were found as follows:

1934	1935	1936	1937	1938	1939
$1165.98	$4629.77	$9837.50	0	0	0

At the time of McCann's arrest in May 1940, he was questioned regarding the source of above funds, particularly $9837.50 in cash deposited by him in his brokerage account from February 25 to June 2, 1936, and was unable to furnish a satisfactory explanation of same. His questioning in connection with the circulation of 1933 Double Eagles, as well as those of 1931 and 1932, has been deferred by the reporting Agents until the termination of pending negotiations between United States Attorney Gerald Gleeson and Attorney Friedman, representing Switt and Silver.

The negotiations above referred to were started by the attorneys named on Friday, July 7, 1944, and were to have been continued during the week of July 10, however, Attorney Friedman was suddenly called away from the city, and a postponement had to be taken until his return which is not expected before sometime in August. Accordingly, unless otherwise directed, the reporting Agents will discontinue their activities in the matter until such time as Messrs. Gleeson and Friedman can resume their discussions of same, the outcome of which may influence further handling.

Very truly yours,

Harry J. Strang
Agent

George C. Drescher
Agent

Approved:

Fred W. Gruber
Supervising Agent

60-10468

RECEIVED
CHIEF SECRET SERVICE

1944 APR 8 AM 8 15

(6)

407 U. S. Custom House

April 7, 1944

INTERMEDIATE REPORT

Re: 1933 Double Eagle Gold Coins

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, D. C.

Sir:

Reference is made to our report of April 1, 1944 on above subject, particularly as to the last paragraph, wherein we advised that efforts would be made to locate and question former Mint employees McCann, Rowland, and Graham with a view to determining just where the $3,740 worth of 1933 Double-Eagles delivered to the Cashier on Feb. 20, 1934, were subsequently kept; and also to ascertain what, if any, collusion existed between the Cashier's Office and outside persons for the unauthorized diversion of uncirculated 1933 gold coin.

On April 5, 1944 in response to a telephone message from Agent Haley regarding the possible shipment of 1933 Eagles ($10.00) gold coins from the Mint to outside sources of distribution, in view of their apparent circulation among coin collectors at this time, the inquiry as to 1933 gold coin Mintage was extended to include 1933 Eagles. It has developed that in 1933 the gold coin mintage was limited to Double Eagles and Eagles and that none of this coinage was shipped out to Federal Reserve Banks; however, 100 Eagles ($1000.) were shipped to the Treasurer of the United States on January 19, 1933, and one (1) Eagle ($10.) was paid out by the Mint Cashier (Hibbard Ott) on March 1, 1933. Also Eagles to the value of $5,040.00 were on February 20, 1934, turned over to Cashier Ott, who was succeeded by McCann on March 19, 1934. The subsequent disposition of these coins is analogous to the 1933 Double Eagles. They lost their identity as to 1933 mintage on the Cashier's books after January 3, 1934, being carried as "prior year's coinage" and their place of security is still obscure up to this writing. Attached is an analysis showing the disposition by the Philadelphia Mint of 1933 Eagle coinage. It will be noted that none of these coins were shipped direct to the Curator of the Smithsonian Institute, as was done with the 1933 Double-Eagles.

Also, on April 3, 1944, at the Mint, the reporting Agents conferred with Mr. Timothy J. Quirk, Technical Consultant to the Director of the Mint, who advised as to the improbability of any of

the 1933 Gold Coinage having been circulated after being received by his Department, as is brought out in your letter of April 5, 1944 to Supervising Agent Gruber.

At this point of the investigation, in view of the obvious reticence on the part of those interviewed to disclose information of value, which might involve or embarrass themselves or others, it was considered advisable to seek the advice of the United States Attorney as to what course could be followed in promising immunity from prosecution in return for information leading to the solution of the matter at hand. Accordingly, a conference was had on April 5, 1944, with Special Assistant to the Attorney General Edward A. Kelley, now attached to the Office of the United States Attorney for the Eastern District of Pennsylvania. Mr. Kelley decided that the time element was such that any prosecution statute that might be invoked, would now have expired, and that we were safe in assuring those interviewed that no criminal prosecution would ensue as the result of this investigation.

On April 4, at Roslyn, Pa., Mr. Robert Graham, retired, formerly Deposit Weigh Clerk at the Mint, was interviewed by these Agents, especially as to association with Israel Suitt, and his knowledge of former Cashier McCann's activities. Mr. Graham stated that he had known Suitt as a gold depositor at the Mint for a number of years, was more or less friendly with him, and that at the present time he had two watches at Suitt's place of business for repairs. Graham denied having any coin transactions with Suitt, nor knowing of any such dealings between Suitt and McCann. Graham admitted a close acquaintance with McCann and stated that on one occasion he had visited McCann's home at Westwood, New Jersey. Graham also stated that McCann was a coin dealer, aside from the peculations which led to his arrest. Mr. Graham professed his willingness to cooperate with us in this matter and stated that he knew nothing of McCann's activities, or source of income, except that McCann was said to have profited considerably at his brother's expense in the administration of their deceased father's estate. Mr. Graham volunteered the information that Willard S. Boyce, presently Cashier at the Mint and formerly assistant to McCann (1937 to 1940) might possess information of interest to this investigation; as well as Jacob Pepper who succeeded Graham as Deposit Weight Clerk.

On April 5, both Pepper and Boyce were questioned at considerable length and while Pepper admitted knowing Suitt as a gold depositor, he denied having any dealings with him. Pepper however stated that the name of Ira Reed was familiar to him as a coin dealer, whose name was on record at the Deposit Weigh Room as a person to refer anyone to desiring coin information. The recording of Reed's name, according to Pepper, was done by Robert Graham.

Willard S. Boyce stated that he succeeded George McCann as Cashier as of December 12, 1940, prior to which he had been McCann's assistant since early in 1937. Boyce stated that McCann had many activities in which money was involved such as promoting dances and social affairs but it was not until on one occasion that he observed a quantity of silver dollars of old mintage in the cashier's money tray and McCann informed him that he kept same for persons wishing coins for commemorative purposes that Boyce became aware of McCann's interests of this nature. After succeeding McCann as Cashier, Boyce was approached by Ira Reed who wished to secure a quantity of the zinc coated pennies before they were officially circulated--according to Boyce--Reed promised to compensate him if he would obtain these coins for him and stated that "another employee of the Mint had, in the past, made himself quite a piece of money dealing with me" and intimated very strongly that person had been McCann, although he did not name him. Reed then made other overtures to Boyce inviting him out to dinner--to visit his place of business--to attend meetings of coin collectors, and endeavoring to cultivate him for Reed's business purposes. Boyce has since disposed of obsolete proof coins to Reed in the regular course of Mint business and believes that he can "rope" Reed for us if that course of action is desired. Boyce advanced the name of Alexander A. Zimba, skilled workman at the Mint, as a person who might furnish information as to McCann's tendencies in the handling of gold coin entrusted to his care.

On April 6, Alexander Zimba was interviewed and stated that from May 28, 1934 to December 31, 1937, he was employed from time to time in the movement of gold coin from the Cashier's working vault (located in the basement of the Mint) to the Gold Deposit Room, to the Make-up Room and finally to be melted into bars. That on frequent occasions during the weighing process, he had witnessed McCann running his hands through this gold coin and handling the coins separately, a procedure that was entirely unnecessary, and could permit of the removal or substitution of coins if so desired. Zimba stated that he had never actually witnessed McCann taking any coins but he regarded McCann as a "magician" who could get away with anything. Zimba stated that one Thomas Golden, who was McCann's assistant between the date of Hibberd Ott's retirement and Boyce's appointment in 1937, might be of assistance in the matter. Golden is now employed in private industry and efforts will be made to interview him.

Former Chief Clerk and Assistant Superintendent Ralph Rowland has been absent from the city during the course of this inquiry but according to his wife is expected to return during the week of April 10, when if possible he will be interviewed. Questioning of McCann and Reed has been deferred until such time as it is felt that sufficient tangible data has otherwise been developed to refute any denials which they might

make, as it is apparent from the information thus far obtained, that the origin of unauthorized circulation of these coins from the Mint involves McCann, Reed, and Switt as the principals; and we are continuing the investigation along these lines, the result of which will be promptly reported.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Approved:

Fred W. Gruber
Supervising Agent

Encl.
cc: SA New York w/encl.

COPY

Analysis of 1933 Coinage - Eagles ($10.00 Gold Pieces)

(Face Value)

Date		Cashier	Annual Assay	Special Assay
Jan. 19, 1933 -	Delivered	$500,000.00		
	Reserved	-520.00	$ 500.00	$ 20.00
	Shipped to Treasurer U. S.	-1,000.00		
		$498,480.00		
Feb. 3, 1933 -	Delivered	500,000.00		
	Reserved	-520.00	500.00	20.00
		$997,960.00	$1,000.00	$ 40.00
Feb. 20, 1933 -	Delivered	500,000.00		
	Reserved	-520.00	500.00	20.00
		$1,497,440.00	$1,500.00	$ 60.00
Feb. 21, 1933 -	Delivered	500,000.00		
	Reserved	-520.00	500.00	20.00
		$1,996,920.00	$2,000.00	$ 80.00
Feb. 24, 1933 -	Delivered	500,000.00		
	Reserved	-520.00	500.00	20.00
		$2,496,400.00	$2,500.00	$100.00
March 1, 1933 -	Paid for deposit or exchanged for currency	-10.00		
		$2,496,390.00		
March 3, 1933 -	Delivered	625,000.00		
	Reserved	-650.00	630.00	20.00
		$3,120,740.00	$3,130.00	$120.00
Feb. 14, 1934 -	Used by Annual Assay Commission		-90.00	
			$3,040.00	
Feb. 20, 1934 -	Unused Annual Assay Coin Returned	3,040.00	-3,040.00	
		$3,123,780.00	-0-	
Sept. 13, 1934 -	All gold coins classed as uncurrent for melting	-3,123,780.00		
		-0-		

SUMMARY

	Number of Pieces	Face Value
Delivered 1/19-3/3/33	312,500	$3,125,000.00
Less: To Treas. U.S. 1/19/33	100	$ 1,000.00
To Bureau of the Mint (Special Assay)	12	120.00
Used by Annual Assay Commission	9	90.00
Paid for deposit or exchanged for cash 3/1/33	1	10.00
	122	1,220.00
Balance to Uncurrent for Melting 9/13/34	312,378	$3,123,780.00

April 8, 1944

CO-10,468

Mr. Thomas J. Callaghan
Supervising Agent
U. S. Secret Service
Chicago, Illinois

Dear Sir:

In connection with an investigation being made regarding several 1933 $20 gold coins that are in the hands of collectors, a collection of gold coins amounting to $44,250.00 was sold July 20, 1943 to B. Max Mehl of Ft. Worth, Texas, by J. F. Bell, 100 North LaSalle Street, Chicago, and it had been said that this collection contained one 1933 $20 gold coin.

During the investigation made by the Dallas district, it was learned that this coin was not included in the collection. Mr. Mehl phoned to Mr. Bell in Chicago, and our agent listened to the conversation. Mr. Bell refused to give the information regarding the disposition of the coin.

Please direct an agent to contact Mr. Bell and determine whether he still holds this coin or, if not, to whom it was sold. It will not be necessary to pick up the coin at this time.

For your information, while the investigation was being made in New York on March 23rd, 24th, and 25th, 1944, Mr. Bell turned over to Agent Strang of the New York office and Agent Haley of the Chief's office one of the $20 gold coins which he had purchased on March 25, 1944 from Ira Reed, a coin dealer in Philadelphia.

We have the names and addresses of several of the holders of these coins. They are in illegal circulation. It is possible that they were stolen from the Bureau of the Mint at Philadelphia.

Copy of the Dallas report is attached.

Very truly yours

Chief, U. S. Secret Service

Enclosure
cc - New York
Philadelphia
Dallas

jmh/han

000465

April 6, 1944

SC-10,466

Mr. Thomas J. Gallaghan
Supervising Agent
U. S. Secret Service
Chicago, Illinois

Dear Sir:

In connection with an investigation being made regarding several 1933 $20 gold coins that are in the hands of collectors, a collection of gold coins amounting to $44,250.00 was sold July 20, 1943 to R. Max Kehl of Ft. Worth, Texas, by J. F. Bell, 100 North LaSalle Street, Chicago, and it had been said that this collection contained one 1933 $20 gold coin.

During the investigation made by the Dallas district, it was learned that this coin was not included in the collection. Mr. Kehl phoned to Mr. Bell in Chicago, and our agent listened to the conversation. Mr. Bell refused to give the information regarding the disposition of the coin.

Please direct an agent to contact Mr. Bell and determine whether he still holds this coin or, if not, to whom it was sold. It will not be necessary to pick up the coin at this time.

For your information, while the investigation was being made in New York on March 23rd, 24th, and 29th, 1944, Mr. Bell turned over to Agent Strang of the New York office and Agent Haley of the Chief's office one of the $20 gold coins which he had purchased on March 25, 1944 from Ira Reed, a coin dealer in Philadelphia.

We have the names and addresses of several of the holders of these coins. They are in illegal circulation. It is possible that they were stolen from the Bureau of the Mint at Philadelphia.

Copy of the Dallas report is attached.

Very truly yours

Chief, U. S. Secret Service

Enclosure
cc - New York
Philadelphia
Dallas

jmh/han

000466

REFER TO FILE No. CO-10468

TREASURY DEPARTMENT

UNITED STATES SECRET SERVICE

NEW YORK, N. Y.

OFFICE OF SUPERVISING AGENT
DISTRICT No. 2

STATE OF NEW YORK AND TERRITORY OF PUERTO RICO

RECEIVED 1944 MAY 22 A

Post Office Box 93
Niagara Square Station
Buffalo 1, N. Y.

May 13, 1944

Mr. Frank J. Wilson,
Chief, U. S. Secret Service,
Treasury Department,
Washington, D. C.

Initial Report

Re: 1933 Double Eagle
Gold Coins

Sir:

This report is submitted in compliance with instructions received from Supervising Agent John J. McGrath, on April 29th and May 9th, with which there were transmitted an Inter-Office Communication and also a copy of an Intermediate Report, dated April 28th and May 5th, respectively, submitted by Agents Harry W. Strang and George C. Drescher, Philadelphia, Pa. office, requesting that Mr. T. James Clarke, 38-40 Charles Street, Jamestown, N. Y. be contacted in order to ascertain when he purchased a double Eagle 1933 gold coin, the price paid, and to obtain a photostatic copy of the check issued in payment thereof.

Mr. Clarke was interviewed by the undersigned Agent at 38-40 Charles Street, Jamestown, N. Y., on May 11, 1944, relative to the 1933 double Eagle gold coin. Mr. Clarke stated that he purchased this coin from Ira Reed whose address he believed was South 18th Street, Philadelphia, Pa. He stated that to the best of his knowledge, he paid Mr. Reed the sum of $550 for this coin, and that he believed he purchased other coins at the same time from Mr. Reed. He was unable to furnish the date when he purchased this coin, and could not recall whether or not he paid for the coin by check, However, he stated it would take considerable time to check through his files to ascertain whether he paid Mr. Reed by check. He stated he would look through his files on Sunday, May 14th, and if he finds the check covering the payment for the gold goin, he would forward it immediately to this office. He said he recalled having purchased the coin from Reed on a mail order.

Mr. Clarke, who is 60 years of age, is engaged in the manufacturing of boxes and employs 90 persons. He was formerly President of the Numismatic Association of America and is known to dealers throughout the United States. He is alleged to have a rare and unusual collection of coins.

As soon as the photostatic copy of the check is received, it will be forwarded together with any other information obtained.

Very truly yours,

Edwin Manning

EDWIN MANNING,
Acting Agent-in-Charge

APPROVED:

John J. McGrath

JOHN J. McGRATH,
Supervising Agent

cc - SA - Philadelphia
SA - Chicago

EM:apv

REFER TO FILE NO.

CO-10468

TREASURY DEPARTMENT

RECEIVED

UNITED STATES SECRET SERVICE

PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3

STATE OF PENNSYLVANIA

1944 MAY 13 A

May 12, 1944

407 U. S. Custom House

INTERMEDIATE REPORT

Re: 1933 Double Eagle Gold Coins

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to our report of May 5, on above subject, wherein we advise that Attorney Emanuel Friedman was to be interviewed further with respect to Edward Silver's records; and that efforts were being made to again question Ira Reed, who was absent from his business due to illness.

On May 6 and 9, Ira Reed was interviewed and questioned at length regarding his acquisition and disposal of 1933 Double Eagle gold coins. Reed stated that he obtained all of the coins to which he gave original circulation among coin collectors from Israel Switt, amounting to three (3) coins - the first of which he bought from Switt in 1939, and the other two in 1941 or 1942. That he paid Switt $500.00 for each coin. Also the two coins purchased were sold one each to James Stack of New York City in 1943, and J. F. Bell of Chicago, in New York City on March 23, 1944. Reed intimated that he had disposed of other 1933 Double Eagle coins but refused the details.

An examination of Reed's records indicated that he had first engaged in business in Philadelphia on August 1, 1937, when he purchased the second-hand store of a Mrs. Marmer at his present location, 37 S. 18th St. Prior to that time, Reed stated he was located in Sellersville, Pa., as an antique-dealer and auctioneer and had no Philadelphia activities. The last feature is somewhat in doubt in view of information received from J. G. Macallister that Reed had engaged in coin dealings in Philadelphia prior to locating here, and it was Macallister's impression when the 1933 Double Eagles were first circulated in February 1937, that Switt was acting in collusion with Reed; however, Reed states he did not become acquainted with Switt until about 1939, when Switt purchased some pewter from him.

As to his dealings at the United States Mint, Philadelphia, Reed stated they began subsequent to August 1, 1937, when he visited the Mint to obtain proof coins or first issues. Reed denied knowing George McCann or Robert Graham formerly foreman of the Deposit-Weigh

Room, although Reed's name was recorded there, presumably by Graham, as a reliable person to whom persons seeking coin information should be referred. It will be recalled that Graham was well acquainted with Switt and when interviewed by these Agents had two watches in Switt's place of business for repairs. Reed could not explain how his name became recorded in the Deposit Weigh Room as stated. Reed admitted knowing Supt. Edwin Dressel, Mr. Sennett, Chief Engraver, Mr. Bartholomew, employed at the Mint office, and Cashier Williard Boyce, as well as Mrs. Espenship (nee Tibbals) in charge of selling numismatic items.

Reed's records are of the single entry bookkeeping type and no where mention the name of the person from whom an article was purchased or to whom sold. He stated his duplicate Income Tax returns for 1937 to 1943 inclusive were not kept but promised to have his cancelled checks for that period available for future examination. This will be deferred awaiting data previously requested from New York and Chicago offices, in connection with 1933 Double Eagle sales by Reed and will be included in the proposed Income Tax inquiry.

On May 8 and 11, 1944, Attorney Emanuel Friedman was interviewed. On the first occasion he advised that he represented both Israel Switt and Edward Silver and requested that any further negotiations regarding these two persons be conducted through him. On that date Friedman stated that Accountant Rubin had located all of Silver's Income Tax returns except that for 1937. Silver's books were examined by the reporting Agents, but no record could be found of the amounts covered by checks issued by Macallister to Switt as per photostatic copies previously submitted. Silver's bank book was not produced. The matter under investigation was discussed in detail with Attorney Friedman who promised to consult with his clients and to cooperate with the Government in every way to clear up the manner in which the 1933 Double Eagles became circulated. On May 11, when Attorney Friedman was again interviewed, his attitude was anything but cooperative. He stated that he had conferred with his clients but declined to state what they had told him, except that they had not obtained the coins directly from a Mint employee and that there were others involved whom Friedman declined to name. Friedman also intimated that his clients had handled a considerable quantity of these coins but refused the details. The undersigned Agents used all of the persuasive powers at their command to have Atty. Friedman reconsider his decision not to divulge the desired information and a further appointment was made for Monday, May 15, at which time the Income Tax returns of Edward Silver are to be available and Attorney Friedman will advise finally as to his attitude in the matter.

On May 8 and 10, 1944, these Agents were approached by City Detective Jacob Gomborrow acting as a friend of Switt. On both occasions Gomborrow sought to convey the impression that Switt did not know from whom the coins were obtained, which is directly contrary to the statement made by Attorney Friedman on May 11, 1944.

On May 10, 1944, an additional interview was had with James G. Macallister. Mr. Macallister stated that he had been able to refresh

his memory as to events attending the purchases of the 1933 Double Eagles from Switt in 1937, and now distinctly recalls the following significant circumstances; that the sale price on each occasion had to be passed on by Silver before the deals could be consummated; that Switt told Macallister that Silver could obtain more of the coins, as he was keeping two (2) for his daughter; that they had melted an entire bag of $20 gold pieces and had kept 25 of the 1933 Double Eagles, 14 of which they disposed of. It was at this time when it became evident to Macallister that the 1933 Double Eagles were no longer a rarity that he refused to purchase anymore of them from Switt.

Mr. Macallister reitterated his statement made previously that no 1933 Double Eagles were circulated with coin collectors of the United States prior to the sale by Switt to Macallister on February 15, 1937.

The feature of Switt telling Macallister that "we melted a whole bag of $20 gold pieces" may be of interest in connection with the disappearance of the $5000 bag from the Mint between June 23, 1933, and February 3, 1937 on which latter date, its loss was discovered. It is evident that George McCann could have been involved in both that affair and the one under investigation, as brought out by the circumstances previously reported. It is also known that McCann had custody of a quantity of 1931 and 1932 Double Eagles as well as the 1933 Double Eagles and according to Macallister - all of the 1931 and 1932 Double Eagles sold to collectors in this section emanated with Switt, who sold same particularly to Macallister, Ira Reed and Max Berenstein of New York City. In this connection, copy of the report dated May 11, 1944, of Agent Lipson, New York City, with enclosure, has been received and noted to the effect that James Stack of New York City under date of September 30, 1943, paid Ira Reed $1000 for one 1933 Double Eagle and $250 for one each of 1931 and 1932 Double Eagles.

On May 6, at the Philadelphia Mint the undersigned Agents conferred with Director of the Mint (Mrs.) Nellie Taylee Ross, and Superintendent Edwin Dressel, when the case was discussed in detail both as to past developments and proposed handling.

The investigation will be continued as indicated in the foregoing, unless otherwise directed, and further developments will be duly reported.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Approved:

Fred W. Gruber
Supervising Agent

cc: SA New York
cc: SA Chicago

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT
RECEIVED
UNITED STATES SECRET SERVICE

PHILADELPHIA, PA. (6)
1944 JUN 1 AM 9 58

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3
407 U. S. Custom House
STATE OF PENNSYLVANIA

May 30, 1944

INTERMEDIATE REPORT

RE: 1933 DE Gold Coin Investigation

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to our report of May 19, 1944, in which it was stated that one Bernard Kushner would be interviewed at the United States Penitientiary, Lewisburg, Pa., relative to his past dealings with Israel Switt and Edward Silver.

Court attendance at their respective posts of duty prevented the reporting Agents from visiting Lewisburg Penitentiary until May 26, when with the cooperation of Warden W. H. Hiatt, and Assistant Warden Thomas, Kushner was privately interviewed by these Agents between the hours of 8:30 A.M. and 2:30 P.M., Kushner's attitude was cooperative and he indicated his willingness to divulge his entire dealings with Switt and Silver, stating that he not only wished to assist in the matter but also to do anything which might help his application for parole which will be heard in November 1944. Kushner stated that he first had dealings with Israel Switt about 1937 when Switt approached him outside the place of business of Jack Rubin, trading as the London Gold & Gem Co., New York City. That Switt had become aware that Rubin was disposing of Switt's gold to Kushner, and Switt approached Kushner to deal with him direct which arrangement obtained thereafter. Kushner stated that he did not receive any gold in coin-form from either Rubin or Switt but that he did receive a considerable quantity of melted gold from Switt, the fineness of which was in the neighborhood of .900 and which quite possibly contained gold coin with some scrap jewelry added as a "throw-off", as the fineness was too high to be scrap jewelry alone which ordinarily assays about .500. Kushner stated that the fineness aroused his suspicions, but that he was anxious for business and neither said nor did anything to discourage this trade, except that on one occasion when he learned that Switt and Silver were disposing of their gold to the Irvington Smelting and Refining Co., of Irvington, N. J., he discussed the matter with the proprietor of that business who informed

him he did not know or care what the gold content was. Kushner stated that his gold dealings with Switt and Silver were in the neighborhood of $2000.00 weekly. Kushner also advised that he knew that Switt and Silver operated a melting pot at their place of business, as on one occasion when they were located on Sansom Street, Philadelphia, he visited their place of business and saw their melting apparatus, and they asked his advice as to the procedure of refining platinum. Kushner stated that his records would show the period of time and extent of his dealings with Switt and Silver, but that the gold acquired was classified as "scrap"; that these records could be examined through his attorneys, Mendes and Ostroff, 1450 Broadway, New York City, to whom Kushner would write on May 26, granting the necessary permission. Kushner discussed at length his past association with Jack Rubin, at present serving a 3½ to 7 years sentence in Sing Sing Prison, New York, as a receiver of stolen goods, and it was apparent that their dealings were extensive not only in the matter for which Kushner was sentenced (J-2-27307-S) but in prior gold-coin transactions; it is believed that the files of our New York office will reflect information of this nature. Kushner's opinion as to the business integrity of Israel Switt was not very complimentary, and he felt that Switt was smart enough not to sell him melted gold of .900 fine, which is the exact fineness of gold coin, but would add scrap jewelry or dental gold to reduce the fineness in an effort to avoid suspicion, but Kushner is confident and stated he would be willing to testify that the fineness of Switt's melted gold was too high for "scrap" and did, or could, contain gold-coin. Kushner stated in closing that he would endeavor to recall any other information which might be of interest to this investigation, in which event he would communicate with the undersigned Agents.

In view of the above circumstances, in accordance with IOC addressed to you under date of May 29 by SA Gruber, these Agents will proceed to Sing Sing Prison on June 1, 1944, to interview Jack Rubin, and while at the New York Office, will consult their files in the matter, as well as the records of Kushner's dealings with Switt and Silver as stated above.

On May 29, the reporting Agents again interviewed Attorney Emanuel Friedman, representing Switt and Silver, in an effort to have him divulge the information imparted to him by his clients as to the manner in which these 1933 DE, as well as any others in which we might be interested, came into their possession. Mr. Friedman finally stated that while he owed a certain duty to his clients to respect their confidences that there was another principal involved to whom he did not owe such a duty, but that he desired to consult further with his clients before disclosing what he termed was the correct version of this affair which, while it would not be the entire solution of the disappearance of these Double Eagles from the Mint, might nevertheless prove helpful

in solving that problem. Attorney Friedman stated that he would advise in due time after consulting his clients during the current week.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Approved:

Fred W. Gruber
Supervising Agent

cc: SA New York

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT

UNITED STATES SECRET SERVICE

PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3
407 U. S. Custom House
STATE OF PENNSYLVANIA

1944 JUN 24 A

June 23, 1944

Re: 1933 Double Eagle Investigation

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to our report of May 30, 1944, as well as your verbal instructions of June 7 to check the bank accounts of those involved in the disposition of this gold coin with a view of establishing payment by any of the principals to George McCann.

In accordance with the above, examination has been made of the bank account of Edward Silver at the Central-Penn National Bank, Philadelphia, for the years 1934 to 1938 inclusive. It was found that from January 9 to June 1, 1936, inclusive, there were ten (10) withdrawals of $1000.00 or over, which compare favorably with cash deposits of $9,837.50 in McCann's brokerage account from February 25 to June 1, (inclusive) 1936. There are attached photostat copies of Silver's ledger sheets from which it will be seen that he at no one time had $5000. on deposit, as well as a copy of page #6 of Special Agent Harrington's report dated December 27, 1940, covering McCann's financial condition, for comparison. The Recordak system used by the Central-Penn National Bank provides only for photographing the face and not the endorsements of checks cashed by their tellers, no record other than the transit sheets being kept of items received from the Philadelphia Clearing House, and in that connection it was found that these transit sheets were destroyed in January 1944, after having been kept the required time of seven (7) years. In view of that condition it was not possible to trace the encashment of those items which did not appear on the Recordak film, as cash withdrawals by Edward Silver. It was also learned that Israel Switt holds a Power of Attorney to sign checks against this bank account. A bank account in the name of Israel Switt was located at the South Philadelphia National Bank, this account opened in May 1934 and inactive since January 1942 showed only small balances and there were no deposits or withdrawals of sufficient size to be of interest to this investigation, indicating that Switt and Silver were using a common account in Silver's name at the Central-Penn National Bank, as brought out above. This was further confirmed at the office of Kushner & Pines, New York City, where purchases of gold were recorded from Switt, Silver and their associate,

I. Paul, during the period from March to October 1938, for which cancelled checks were located as per attached photostatic copies. According to the bookkeeper, Miss Lillian Miller, prior transactions were through Jack Rubin, and payments were made to him by either check or cash. While no cancelled checks could be located for any of these parties for 1936 and 1937, Kushner's books showed numerous large purchases from Rubin during those years, the details of which however as to weight and fineness were not available.

Jack Rubin was interviewed at Sing Sing Prison, Ossinning, New York, by the reporting Agents and questioned as to his dealings with Switt and Silver, particularly as to gold coins, or melted gold of gold-coin content. Rubin admitted having bought 1931 and 1932 DE from Switt as numismatic items on several occasions in 1936 but denied having brought gold coins or melted gold -- this despite the fact that Kushner has stated to these Agents that Rubin had been dealing in this commodity with Switt when he (Kushner) took this trade away from Rubin. Kushner's statement is borne out to a considerable extent by the New York office files which indicate that both Rubin and Kushner were melting up gold coin in September 1935 and in February 1936, as per photostatic copies of correspondence attached, which are self-explanatory. Kushner's cancelled checks covering any payments to Rubin in 1936 and 1937 could not be located. Checks for subsequent payments up to November 1939, were cashed for Rubin by Stack Brothers of New York City. On November 14, 1939, Rubin opened an account with the National Safety Bank and Trust Company of New York City, examination of which disclosed nothing of interest to the investigation. Rubin, who is serving a term of from 3½ to 7 years in Sing Sing Prison, has a long criminal record, and is known as a shrewd receiver of stolen goods who could hardly be expected to make any admissions damaging to himself.

Max Berenstein, 435 Madison Avenue, New York City, previously reported upon as having purchased the first 1933 DE known to be in circulation for the price of $1600., first informed these Agents that on May 31, 1936, he had purchased 20 1931 and 1932 DE from Switt -- this information he later corrected as to purchase date being May 21, 1936, and the quantity as 12 @ $40.00 a total of $480.00 which was verified by reference to his records. According to Mr. Berenstein these were the first 1931 and 1932 DE to be circulated in any quantity since their years of minting when a very small quantity were issued for distribution to collectors. This information has been verified by the Mint records as to quantity and is contained in our report of May 5, 1944. Mr. J. G. Macallister, leading numismatist of Philadelphia, corroborates Mr. Berenstein's statement as to their rarity until circulated in quantities by Switt and Silver in 1936 and 1937.

Investigation by the reporting Agents has developed that former Mint cashier McCann had custody of a considerable quantity of 1931 and 1932 DE, turned over to the Cashier's office by the PYX

Committees of those years as well as the 1933 DE under investigation. The greater portion of 1932 DE shipped from the Mint (amounting in all to $3500) were forwarded to the Treasurer of the United States for distribution; as were all of the 1931 DE totaling in face value $2,040. Fifty (50) 1932 DE shipped to Spencer S. Marsh, Newark, N. J., on January 16, 1932, were found to have been deposited on November 26, 1934, with the Merchants and Newark Trust Co., Newark, N. J., for redemption through the Federal Reserve System, and therefore could not have fallen into the hands of Switt or Silver except through collusion with a Mint employee. The remaining 1932 DE shown as shipped to various consignees are being traced as to their final disposition, with a view if possible of eliminating them from the coins known to have been circulated by Switt and Silver, in 1936 and 1937.

As directed by you, contact is being maintained with Attorney Emanuel Friedman, Philadelphia, representing both Switt and Silver, for the purpose of obtaining any information which he can be induced to divulge regarding the admissions of his clients, with respect to the origin of the 1933 DE which they are known to have circulated and upon which this investigation is predicated. With the exception of one week's period when Attorney Friedman was absent from his office on account of illness, these Agents have repeatedly interviewed Mr. Friedman at length, he has stated that he is endeavoring to get his clients' consent to impart the desired information and he has expressed his willingness to assist when permitted to do so. Mr. Friedman was last contacted on June 22, when he advised that he would consult with his clients again over the present week-end and advise on Monday, the 26th, as to their disposition.

While awaiting any information which might be forthcoming from Mr. Friedman the reporting Agents are endeavoring by every possible means to establish any contacts which may have existed between Switt, Silver and Mint employees who could have diverted the gold coins in question. In this connection further questioning of Cashier Williard Boyce has developed that former cashier McCann and Silver were seen in conversation on several occasions when Boyce was assistant to McCann; Boyce's signed statement to this effect is hereto attached. Efforts are also being made through police informants close to Switt and Silver to obtain information as to their outside contacts and the manner in which they may have obtained these gold coins, if not from McCann direct; assuming from the facts in hand that he is the source of their supply.

The investigation will be continued as outlined, unless otherwise directed, and further developments promptly reported.

Very truly yours,

Harry W. Strang
Agent

George C. Drescher
Agent

Encls.
Approved:

Fred W. Gruber
Supervising Agent

cc: New York w/encls.

TREASURY DEPARTMENT

FIELD FORCE

DIVISION OF SECRET SERVICE

BIRMINGHAM DISTRICT

ADDRESS: P. O. LOCK BOX No. 693

Birmingham, Ala., Feb. 27, 1936.

Mr. Wm. H. Houghton,
Operative in Charge,
New York, N. Y.

KUSKITNER
GKF.

Sir:

I am today in receipt of what I consider to be reliable information that a gold refining concern known as KITCHNER & PINE, 21 West 46th St., New York, are engaged in the illegal handling of gold, and especially the melting of gold coins into bullion. My informant was some days ago in New York and this firm propositioned him in connection with these matters, and at the time exhibited to him certain gold coins. He tells me that they have a go-between handling platinum known as Prutinsky & Co., who are located immediately across the hall from Kitchner & Pine. My informant also stated that the Brackin Jewelry Co., this city, probably have been shipping or otherwise delivering to Kitchner & Pine certain illegal gold.

This for your information and whatever handling you may deem advisable in the premises.

Respectfully,

Robert A. Perry
AGENT IN CHARGE.

REP:P

TREASURY DEPARTMENT
Secret Service Division
RECEIVED
FEB 29 1936
New York, N. Y.
Division

000623

FINAL REPORT

SUBJECT: N. Y. A. Investigation
of MERMER & PINES, 41
West 46th Street, New York, N. Y.,
Violation Gold Licenses, Misuse
of Funds

Mr. [illegible]

[illegible]

Sir:

I have the honor to submit herewith the following special report [illegible] dated [illegible], predicated on copy of memo from the Acting [illegible] of the Hist, dated September 8th, 1955, and your [illegible] of [illegible] 1955.

I contacted Mr. Mermer and Mr. Pines at 41 West 46th Street, New York, officers of Mermer and Pines, holders of the above gold licenses. They stated that they had made an arrangement with JACK RUBIN by which they [illegible] all [illegible] gold bought for their account and that [illegible] the [illegible] in lieu of an employee of their [illegible] who had another salesman who travelled for them [illegible] gold and it is [illegible] that the employee of the [illegible] was not and is not an agent or affiliate of JACK RUBIN.

At the time they employed the travelling salesman they checked with a [illegible] of the Assay Office in New York City, as to whether it would be [illegible] for them to have a [illegible] licensed and were informed this was [illegible]. I talked to them and MERMER that their license was [illegible] and they should have taken precaution at the time that they [illegible] about the [illegible] trading to make to cover RUBIN'S case by the [illegible] officials of the Hist. Mermer & Pines is an established gold [illegible] and always a good reputation is the trade.

Mr. Mermer claims that any violation was unintentional and that he will immediately get in touch with the officials of the Hist and get a ruling in this case and in the meantime will sever connections with RUBIN.

Respectfully submitted,

Approved:

EDWARD K. MADEY,
Operative.

[illegible]
Special Operative.

000624

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT
UNITED STATES SECRET SERVICE
PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3
407 U. S. Custom House
STATE OF PENNSYLVANIA

1944 OCT 23 A

October 20, 1944

Intermediate Report
Re: 1933 DE Coin Investigation.

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to Intermediate Report of October 13, 1944, wherein it was stated that the estates of Fred H. Chaffin, former Assistant Superintendent, and Chester W. Ziegler, former Assayer, of the Philadelphia Mint would be investigated to determine if any coins of interest to this investigation had been possessed by these persons and disposed of in the administration of their respective estates.

Fred H. Chaffin died suddenly June 16, 1936, while a passenger on a railroad train traveling through the State of Wyoming. He was a resident of Upper Darby Township, Pennsylvania, and his Will was probated at Media, Delaware County, Pa., naming his wife as sole legatee and Executor, who, because of blindness, renounced this appointment in favor of the Pennsylvania Company (Bank and Trust Company) of Philadelphia. The papers in the estate, both in the possession of the Register of Wills and Mr. John N. Gordon, Assistant Trust Officer of the bank, were examined and there was no trace of any coins being included in the estate. However, the reporting Agents have developed that former Assayer Ziegler, on July 8, 1936, obtained Chaffin's coin collection from his vault and forwarded them to an unknown dealer in New York City, and that a check for $134.00 was given to Mrs. Chaffin. These coins are believed to have had a face value of $40.00, and are shown as the last item on the attached list of Chaffin's effects as furnished to Supt. Dressel. According to the best information obtainable from persons who were close to Mr. Chaffin, he redeemed his gold coin collection when the Gold Reserve Act became effective, and it is not believed that the sale of the coins referred to involved any Double Eagle coins.

Chester W. (Doc) Ziegler committed suicide on February 16, 1938, at 3:00 A.M., by jumping from the window of the premises, 1532 North 15th Street, Philadelphia, a private hospital, where on the preceding day he had given a general power of attorney to Ralph Roland, who succeeded Chaffin as Assistant Superintendent of the Mint.

Mr. Ziegler was a resident of East Lansdowne, Delaware County, Pa., and his Will was found probated at Media, Pa. In his Will, Mr. Ziegler named as Executors his brother, C. Norman Ziegler, of California, and Ralph Roland. C. Norman Ziegler renounced his executorship in favor of Roland, who employed Attorney Maxwell Sobel of Philadelphia, a law partner of Roland's father-in-law, Joseph W. Catherine, to administer the estate. The estate amounted to $27,341.67. Roland received $1367.08 and Sobel $1350.00, for their respective services. Ziegler resided with a woman housekeeper named Augusta Thomas, to whom he willed $300.00 and who was otherwise summarily dispossessed by Roland. According to Supt. Dressel, Roland was somewhat apprehensive that she would set up claim of a common-law relationship, and while she did not do so, is said to be greatly incensed at Roland because of her treatment. This woman is at present located at the P. O. of A. Orphanage, near Bloomsburg, Pa., where, if considered advisable, she may be interviewed.

Ralph Roland, formerly Assistant Superintendent of the Mint, from July 8, 1936 to September 30, 1942, was interviewed by these Agents on October 17, 1944, at 123 West Main Street, New Holland, Pa., which is his country home. Roland denied having anything whatever to do with the estate of Chaffin, but discussed freely his handling of Ziegler's estate which he stressed was handled entirely by his attorney, Sobel, and that no gold coins were involved. Roland was questioned regarding McCann's handling of coins returned to his department by the PYX Committee of 1934 and those forwarded to the Curator of the Smithsonian Institute in October 1934. He confirmed the versions of McKernon and the Superintendent of the Mint in this respect and gave the direct lie to McCann's account of same as outlined in report of October 13. It is Roland's opinion that the 1933 DE could not have become circulated without collusion with McCann who evidently caused DE of other years' mintage to be substituted therefor in order that his records would show sufficient weight and value; especially as McCann had the only coins of this mintage not under seal in the main vaults, as brought out in previous reports.

Through a confidential source, the investigating Agents have developed the identity of a possible go-between in this matter in the person of one Sol Schwartz, an itinerant jewelry salesman and former gold-buyer for Switt and Silver. This man is a brother of one Goodman Schwartz, employed at the Philadelphia Mint as a guard from April 9, 1935 to May 8, 1939, when his services were dispensed with following a report to the Superintendent of the Mint involving disreputable family connections. Sol Schwartz has been located as residing at Croyden Hall Apartments, 49th and Locust Sts., Philadelphia, but due to his absence from the city on a business trip, some difficulty has been experienced in interviewing him to date. These efforts will be continued and duly reported upon.

Very truly yours,

Approved:

Fred W. Gruber
Supervising Agent

Harry W. String
Agent

Charles B. Rich
Agent

Encl. cc: S. New York (w/encl.)

000827

C
O
P
Y

10-19-44
emt

PAPERS TAKEN BY CHESTER ZIEGLER FROM MR. CHAFFIN'S BOX IN THE VAULT

(1) Designation of Beneficiary (Civil Service)

(2) Will

(3) Ocean Accident Policy

(4) Cert. 8516, $3,000, Postal Federal Employees Assn.,

(5) Woodman Insurance #567084, $3,000

(6) Travelers Insurance Co-Wanamakers (Elizabeth Chaffin) #6741

(7) Accident Policy #131221, Ocean Accident & Guarantee Policy

(8) Capital Life Insurance Co. Policy #61500

(9) Letter-Personal

(10) $40.00 (7/8/36)

REFER TO FILE No.
CO-10468

TREASURY DEPARTMENT

UNITED STATES SECRET SERVICE

PHILADELPHIA, PA. (6)

OFFICE OF SUPERVISING AGENT
DISTRICT No. 3
407 U. S. Custom House
STATE OF PENNSYLVANIA

November 4, 1944

INTERMEDIATE REPORT

Re: 1933 DE Gold Coin Investigation

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to Intermediate Reports of October 13, and 20, 1944, wherein the current line of investigation was detailed, and instructions were requested as to the advisability at this time of instituting an Income Tax inquiry which might be productive of information pertinent to this investigation.

During the interim since the last dated report, the investigating Agents have devoted their efforts to exhausting all other possible sources of information, and have endeavored to narrow down the entire handling of 1933 DE mintage to the most tangible possibility for the nine (9) coins in question to have become circulated. In this connection, it has developed that the entire mintage of 1933 DE amounted to 445,500 pieces or $8,910,000.00, of that amount $8,900,000.00 (445,000 pieces) was stored in Vault F - cage 1, and melted during the period February 6 to March 18, 1937, that $8,920.00 (446 pieces) were reserved for the Assay Commission of February 1934, of which nine (9) pieces are said to have been destroyed in assaying; and the balance turned over to the Cashier; also that $400.00 (20 pieces) were forwarded to the Director of the Mint at Washington for analysis, the balance of $680.00 (34 pieces) being retained in the Cashier's office and melted during above stated period, together with other uncirculated gold coin held by the Cashier. The handling described, therefore, presents four possibilities for the unauthorized circulation of these coins to have occurred at the Philadelphia Mint, all of which have been carefully considered and investigated by the reporting Agents, with the following developments:

STORAGE in Vault F - cage 1 of deliveries March 15, to May 19, 1933, of 445,000 pieces, face value $8,900,000.00. This amount apparently remained intact until melted between the period February 6, to March 18, 1937. The records of the Vault Custodian covering the custody and reduction in quantity for melting purposes have been examined and there is no account of any discrepancy or irregularity in connection with the storage of this mintage. It was in this vault and cage that the shortage of 25000 DE of 1928 mintage was discovered on February 3, 1937, when the vault was opened for melting purposes, and the shortage appears duly noted on former Custodian Frizzel's records as of that date.

000802

ASSAY COMMISSION of 1934 - (Feb. 14 to 20) received 445 pieces, $8,920.00. This committee selected nine (9) 1933 DE for assaying, as per attached transcript taken from their report, which indicates that these coins were destroyed individually and enmasse during the assay process, and that the fineness thereof is that shown on their report. Investigation develops that the committee did not do any of the actual assaying but that the coins were turned over to former Mint Assayer Chester W. (Doc) Ziegler, who in turn had the assaying done by employees W. P. Hershey and T. D. Rogers. Mr. Hershey was not available for questioning but Mr. Rodgers informed these Agents that he took no note of the dates on the coins and they may have been coins of any year. That it was the custom for Ziegler to hand him the coins to be prepared for assay and that he (Rogers) took them from Ziegler into the shop and hammered down the edges so the coins would fit into the roll and he paid no attention to the dates on them. After rolling, the coins became but a strip of gold and lost all identity as to date, etc. It was apparent from what Mr. Rogers said that it would have been entirely possible for Ziegler to have substituted gold coins of another year's mintage if he was so disposed. The daily work record of both Hershey and Rogers was obtained from the present Assayer Paul J. Dowd, and cannot be reconciled with the figures shown in the Assay Committee's report - a copy of that work record is also attached. It is the intention of the investigating Agents to take this feature up with Mr. B. G. Shields, who was in charge of the subcommittee handling the assay, and now employed at the New York Assay Office, in an effort to clear up the discrepancy and to learn just what took place. It is regarded as somewhat significant, at least a coincidence of importance, that nine (9) 1933 DE figured in this assay, and that the same quantity have made their appearance in unauthorized circulation.

MELTING & REFINING OF DOUBLE EAGLES - February 6 to March 18, 1937. All 1933 DE were melted into bars during the above period, under the supervision of Hubert D. Coleman, now retired, who was interviewed at his home, 53 Willow Grove Avenue, Philadelphia. Mr. Coleman related to the undersigned Agents the manner in which the gold coins were received in bags from then Cashier George McCann, how the contents were weighed both before and after melting, the supervision attending the melting, and while the weight of nine (9) DE (nine ounces) would not have been apparent if divided throughout the total melt, the supervision of the actual melting was such that little if any opportunity for theft existed. According to Mr. Coleman the system of melting these coins provided for twelve (12) melts of 7000 ounces each, daily, and that they were allowed a legal tolerance (difference in weight) of one ounce per thousand - however, such a difference would have aroused comment and possibly caused an investigation, and for that reason Mr. Coleman is positive that no shortage of any consequence existed. It was his recollection that the average difference in weight did not exceed .025 ounces per thousand, which could be readily attributed to the melting process.

CASHIER'S OFFICE . The Cashier's office had custody, at various times, of $10,000.00 (500 pieces) of 1933 DE - starting with the

first delivery of March 15, 1933, when a bag of $5000 was sent to the Cashier Harry Powell, who retired December 31, 1933, and has since died. On April 26, 1933, another bag of $5000. was sent to this cashier. From this $10,000.00 PYX coins were selected by the cashier and Assayer to the amount of $8,920.00 (446 pieces) - $400.00 (20 pieces) were sent to the Director of the Mint, and $680.00 (34 pieces) was returned to the custodian of the vaults on February 2, 1934. Upon the PYX Commission finishing their duties as of February 20, 1934, they returned $8,740.00 (437 pieces) to the acting cashier Hibberd Ott, in the PYX box which, however, was not opened until the PYX Commission's report was approved at Washington, and which is believed to have occurred during the term of cashier George McCann who succeeded Ott as Cashier on March 20, 1934. As stated in report of October 20, 1944, following the approval of the PYX report, the coins are taken from the PYX box and kept in bags in the Cashier's office. Cashier McCann, therefore, had custody of this quantity of 1933 DE from March 1934 to February 1937, when the melting of these coins began. The first 1933 DE known to have been circulated was sold on February 15, 1937, by Switt and Silver to J. G. Macallister for $500.00, as previously reported upon. The Cashier's daily statement for February 20, 1934 shows that he carried on his accounts $8,909,420.00 (445,471 pieces) of 1933 DE as of that date, inasmuch as this amount, plus the nine pieces used by the PYX Commission, and 20 pieces forwarded to the Director of the Mint, equals the total mintage of 1933 DE, coupled with the fact that the last gold coin shipped from the Mint took place on March 5, 1933, which was prior to the first delivery of 1933 DE from the Coining Department, indicates rather conclusively that no coins of this mintage were legally circulated with the exception of the two (2) 1933 DE forwarded by the Cashier of the Philadelphia Mint to the Curator of the Smithsonian Institute as of October 2, 1934.

From the foregoing, it will be seen that there were two apparent possibilities for the illegal circulation of the nine (9) coins which are known to have reached Switt and Silver, who circulated them to numismatists, viz., the Assay of February 1934, and the Cashier's Office:

The responsibility in the Assay Department rested with the former Assayer Chester W. Ziegler, who committed suicide on February 16, 1938, under circumstances covered in report of October 20, 1944. Efforts to locate his housekeeper, Mrs. Augusta Thomas, who was believed to have knowledge of his personal affairs, has developed that Mrs. Thomas died in Darby, Pa., two years ago. Ralph Roland, former Asst. Superintendent of the Mint, who administered Ziegler's estate is either unable or unwilling to assist in the matter.

The custody and disposition of the 1933 DE in the cashier's working vault during the period March 1934 to February 1937 was in charge of George A. McCann, who was arrested in May 1940 for the theft of uncurrent silver coins from the Mint. McCann has been interrogated by these Agents and professes to have no knowledge of the circulation of the nine 1933 DE concerned with this investigation, and his explanation of the handling of the PYX coins of this mintage has been found to be absolutely untrue. Not only did he lie as to the manner of handling but endeavored to place responsibility on Edward F. McKernan, former vault custodian, who was again questioned at length in this office on October 25 and 30, 1944, when

his vault records were brought from the Mint, and every effort made to find some irregularity to fit this matter, as well as the shortage of $5000.00 in 1928 DE discovered missing from Vault F - cage 1, on February 3, 1937. The vault records referred to were kept in such a slip-shod fashion as not to permit of any intelligent conclusions to be drawn from them, even by McKernan who had made the entries therein. McKernan, however, appeared cooperative and readily consented to both interviews when he was closely interrogated for two-hour periods; and it is believed that lack of education, rather than dishonesty, is responsible for the condition of his records.

A feature which may ultimately be productive of information has arisen by the demand of James G. Macallister, who purchased the first of the 1933 DE offered by Switt, and in turn sold same to Max Berenstein of New York City for $1650.00, to be informed if this coin seized by this Service from Berenstein, is to be returned to Berenstein; and just what the Government's attitude is going to be with respect to seizing and retaining the other 1933 DE known to be in the possession of various persons. Mr. Macallister states he is willing to refund Berenstein his purchase price, and will in turn call upon Switt and Silver to reimburse him. If necessary, Mr. Macallister stated to these Agents on October 23, 1944, he would take the matter up with Director of the Mint, Mrs. Ross, and Secretary Morgethau to obtain a prompt decision in the matter. Accordingly, on October 26, 1944, at the Philadelphia Mint, the matter was discussed by the undersigned Agents with Mrs. Ross, who stated that she felt that the Government should recover and keep the coins as they were illegally in circulation, but that the General Counsel of the Treasury Department should give a definite decision in the matter.

Efforts to interview Sol Schwartz, named as a possible go-between in the acquisition of the 1933 DE by Switt and Silver, has resulted in determining from Mrs. Schwartz, who was interviewed under a suitable pretext, that her husband is on a selling trip in the South and may not return to Philadelphia, until November 11. In this connection, the investigating Agents cannot see the necessity of a go-between if Switt and Silver obtained these coins from McCann, or Roland as information has been received from Mrs. Helen Moore, now Asst. Supt. of the Mint, that she saw Silver in conversation with McCann, and Roland, on different occasions in their respective departments, which corroborates similar information received from the present cashier, Williard Boyce, previously reported upon. It is possible, of course, that Schwartz may have figured in the transaction and that feature is receiving attention.

At this time, the undersigned Agents feel that with the exception of the features herein outlined as still to be covered, they have exhausted all available sources of information at hand, it is therefore respectfully suggested that a conference be had at your convenience, for the purpose of discussing ways and means by which the investigation may possibly be brought to a successful conclusion.

Very truly yours,

Harry W. Strang
Agent

Charles B. Rich
Agent

Approved:

Fred W. Gruber
Supervising Agent

Encls.

cc: SA New York (w/encls.)

HWS:eb

U.S. SECRET SERVICE

Treasury Department

FROM:

TO:

Chief: Mr. Duncan

Mr. Albert: Mr. Gerald

Mr. Ambler: Mr. [illegible]

Mr. Baker: Mr. [illegible]

Mr. Bowen: Mr. [illegible]

000791

gold coins. Schwartz professed to be willing to cooperate and furnished the name and address of William Weiss, as an outside agent of Switt, also the information that Samuel Cohen, trading as the Empire Smelting and Refining Co., of 734 Sansom Street, had been dealing in gold coin during the period when there was considerable of that traffic. Weiss was interviewed at this office on November 13, admitted business relations with Switt but denied any gold coin dealings, saying that both Switt and Silver were well known at the Mint and would not allow any of their agents in on such dealings.

Samuel Cohen was interviewed through his attorney, Alexander Lipschutz, and admitted gold coin dealings in the past but denied any such transactions with either Switt or Silver, stating that they were business rivals. From Weiss it was learned that one Daniel Segal, 2418 N. Myrtlewood Street, Philadelphia, also acted as an outside agent for Switt. Segal was questioned at this office on November 15, when he denied ever having any gold coin transactions of any kind and stated that he had only been in the old gold business since 1939. Segal named one Benjamin Schaffer, also known as Shafter, as both an inside and outside agent for Switt, and one who would know a great deal about Switt's affairs. Efforts are being made to locate and interview this man. Another person known to have extensive dealings with Switt is one Harry Zeiger, of the S. W. corner 8th & Sansom Streets. This man is well acquainted with Sol Schwartz, and Schwartz has agreed to "rope" Zeiger with a view of determining any information possbile as to the source of the 1933 DE.

It has been brought out in conversations with the various persons named as having been associated with Israel Switt that he has the reputation of being a very wealthy man, which is decidedly at variance with his income tax returns. It has also been learned that he is about to open up another place of business. In anticipation of referring this matter to the Intelligence Unit all information possible, together with the identity of Switt's associates past and present, is being obtained to strengthen that inquiry.

As stated to Mr. Haley in telephone conversation of November 14, 1944, the undersigned Agents have practically concluded their present line of investigation, and await your further instructions in the matter.

Very truly yours,

Harry W. Streng
Agent

Approved:

Fred W. Gruber
Supervising Agent

Charles B. Rich
Agent

cc: SA New York

HWS:CBR:eb

000794

(6)

407 U. S. Custom House

November 24, 1944

SUMMARY AND FINAL REPORT

Re: 1933 Double Eagle Gold Coins.
Minted at Philadelphia, Pa.
Unauthorized Circulation.

Mr. Frank J. Wilson
Chief, U. S. Secret Service
Washington, 25, D. C.

Sir:

Reference is made to your recent instructions directing that a Summary Report be submitted covering the investigation of above matter.

On or about March 24, 1944, this Service received information that there was listed for auction at the place of business of Stack Brothers, Numismatists, 12 East 46th Street, New York City, one (1) 1933 Double Eagle ($20 gold piece) minted at Philadelphia. As it was known that but two (2) coins of this mintage had been officially circulated and those coins were in the possession of the Smithsonian Institute, Washington, D. C., an immediate inquiry was conducted to determine the validity of the coin advertised, the manner of its circulation, and the extent of this practice. The coin in question was turned over to this Service by Stack Brothers, who advised that same was the property of a Colonel J. W. Flanagan, Palm Beach, Florida, who had purchased it November 26, 1937, from B. Max Mehl, coin dealer, Fort Worth, Texas; this coin was pronounced genuine at the U. S. Assay Office, New York City.

Subsequent investigation has developed the definite circulation of nine (9) coins of this mintage, one each of which were found to be in the possession of the following named persons, who are well-known coin collectors:

- J. F. Bell, Chicago, Illinois
- Max Berenstein, New York City
- T. James Clark, Jamestown, New York
- L. G. Barnard, Memphis, Tennessee
- Fred C. C. Boyd, New York City
- Col. J. W. Flanagan, Palm Beach, Florida

Charles Williams, Cincinnati, Ohio
James Stack, Hotel Roosevelt, New York City
Egyptian Legation (King Farouk) Washington, D. C.

The rumored existence of any other 1933 Double Eagles has been carefully investigated, but up to this time found to be without foundation in fact. The coins of Flanagan, Bernstein, and Bell were surrendered to this Service. The other possessors of such coins have been contacted and agreed to withhold disposal of their respective coins until this matter is settled.

The manner in which the foregoing named persons came into the possession of these coins was found to be somewhat involved and required extensive tracing throughout the United States as these persons had bought their coins in good faith from various reputable dealers, and some coins had changed owners numerous times. It was finally developed that all nine (9) coins were originally circulated in Philadelphia, between February 15, 1937, and an undetermined date in 1939, by Israel Switt and Edward Silver, old gold dealers, at present located at 130 South Eighth Street, Philadelphia. The first sale of one 1933 Double Eagle being made by Switt on February 15, 1937, to James G. Macallister, 1528 Walnut Street, Philadelphia, for $500.00; Switt made four similar sales to Macallister during 1937 - also a sale of one coin to Abe Kasoff of New York City, and three coins to Ira Reed of Philadelphia, between 1937 and 1939. Switt was subjected to a thorough questioning by these Agents and admitted having made the sales described, but refused to divulge the source from which he obtained the coins in question. Tracing of the checks issued in payment by Macallister to Switt developed that some bore the second endorsement of Edward Silver, and were deposited in the bank account of Silver carried in the Central-Penn National Bank of Philadelphia. Questioning of Macallister developed that Silver had to approve the purchase price of all of the coins sold to Macallister before the five deals could be consummated. During these transactions Switt gave Macallister various sources from which he obtained the coins, all of which have been investigated and found to be untrue; he did, however, inform Macallister on the occasion of the last sale of a 1933 Double Eagle to him during July 1937, that "My partner Ed can get all he wants of these, as we had 25 and only sold 14", also "We melted up a whole bag of $20 gold pieces". Macallister stated that he became somewhat apprehensive of this statement and declined to purchase any more of the coins. Following the questioning of Switt, both he and Silver engaged the services of Emanuel Friedman, Attorney-at-Law, Fidelity-Philadelphia Trust Building, Philadelphia, and any further contact with them necessarily was conducted through that medium, with negative results.

Inquiry into the past history and dealings of Switt and Silver has developed that they are brothers-in-law, and that Switt, a former pawnbroker's clerk, operated actively as an old gold buyer

until July 1934 when he was arrested by the City Police, having been found in possession of gold coins to the value of $2,000.00 at the Pennsylvania Railroad Station while allegedly enroute to Baltimore. Following the confiscation of those coins, Switt's gold license was revoked, and he was succeeded as the licensee by Silver as of September 1934. It has been developed that Silver was quite active as a gold buyer from that time until July 1943, that he made frequent trips weekly to the Philadelphia Mint and on numerous occasions was observed in conversation with George A. McCann, Cashier, there from March 1934 to May 1940, when McCann was arrested by this Service for the theft of uncurrent silver coin.

The custody and control of 1933 Double Eagle coinage in the Philadelphia Mint has been thoroughly investigated developing that Double Eagles to the amount of $8,910,000 were minted, of which $8,900,680 were classified as uncurrent and placed in a sealed vault, and $9,320 (or 466 pieces) were held out and disposed of in the following manner: $8,920 (446 pieces) were reserved for the PYX Committee; $400 (20 pieces) were forwarded to the Director of the Mint. Of the quantity handled by the PYX Committee, $180 (9 pieces) were destroyed and $8,740 (437 pieces) were turned over to the Cashier on February 20, 1934. The acting Cashier at that time was Hibberd Ott, who was in poor health and has since died, being succeeded on March 19, 1934, by George A. McCann, referred to above. The 20 coins forwarded to the Director of the Mint for laboratory purposes have been fully accounted for by that Bureau. The 437 1933 Double Eagles delivered into the possession of the Cashier by the PYX Committee apparently remained in the Cashier's office until the melting of gold coin at the Mint in 1937, and it has been definitely established that McCann had access to this coin on October 2, 1934, as on that date two (2) coins of this mintage were forwarded by him to the Curator of the Smithsonian Institute, and there is nothing to show that he obtained same from the sealed vault containing the bulk of this coinage.

During the course of this investigation, it has also developed that in May 1936, a quantity of 1931 and 1932 Double Eagles began making their appearance with coin dealers in New York City and Philadelphia, whereas prior to that time these coins were considered rarities, being quoted in coin catalogs of 1936 at $75.00 per coin. Inquiry into this feature developed that on May 21, 1936, Israel Switt sold 12 of these coins to Max Berenstein of New York City for $40.00 each, and made similar sales to James Macallister of Philadelphia, and Jack Rubin of New York City on two different occasions. The disposal of the mintage of these coins was also accounted for by these Agents developing that but a very small quantity of 1931 and 1932 Double Eagles were shipped from the Philadelphia Mint, being disposed of during those years in small quantities and to coin collectors who made special requests for same to the Mint, or through the U. S. Treasurer's office; there is no record of either Switt or Silver having made such purchases.

According to James Macallister, a recognized numismatist of high standing, none of these coins were in circulation among collectors for several years prior to May 1936, when Switt and Silver began circulating them. Examination of Mint records has disclosed that George A. McCann, also had a considerable quantity of 1931 and 1932 Double Eagles in his custody as Cashier during the same period and under similar conditions as the 1933 Double Eagles, same having been turned over to the Cashier's office by PYX Committees in February 1932 and 1933.

Investigation into McCann's personal financial status and activities has developed that in 1934 he began playing the stock market although his salary was $2,421.79, and he had a dependent wife and child, and that while his salary, up until 1939, did not exceed $3,087.84, his financial worth during that period was as follows:

1934	1935	1936	1937	1938	1939
$6,560.26	$10,989.62	$20,397.68	$12,887.51	$170.73	$8,640.00

The decreases in net worth during 1937, and 1938, as shown above, were due to substantial losses in the stock market during those years. McCann's thefts of uncurrent silver coin took place in 1939 and 1940. Deposits of cash or currency in McCann's brokerage accounts not traceable to any known source or income or funds during the years 1934 to 1939, inclusive, were found as follows:

1934	1935	1936	1937	1938	1939
$1,165.98	$4,629.77	$9,837.50	0	0	0

At the time of McCann's arrest in May 1940, he was questioned regarding the source of these funds, particularly $9,837.50 including an item of $5,000.00, deposited by him in his brokerage account between February 25 and June 2, 1936, and was unable to furnish a satisfactory explanation of same.

On October 10, 1944, at his place of employment in Westmont, New Jersey, McCann was questioned by the reporting Agents regarding the unauthorized circulation of the 1933 Double Eagles referred to in this report, and denied any responsibility in connection therewith, as well as any acquaintance with either Silver or Switt, although it has been definitely established that McCann was frequently seen in conversation with Silver during McCann's term as Cashier at the Mint. McCann misrepresented the method of handling PYX coins, placing the responsibility on Edward McKernan, and also tried to place suspicion on McKernan for the loss of $5,000.00 in 1928 Double Eagles discovered short from a sealed Mint vault on February 3, 1937. The investigation has determined that McCann had sole custody of $8,740.00 in 1933 Double Eagles from March 19, 1934, when he became Cashier, until February 1937, when the melting of the gold coins began. It has been established

that the first sale of a 1933 DE took place on February 15, 1937, from Israel Switt to James G. MacAlister for the price of $500.00, which was followed by other sales as previously stated. Further interviews with McCann were prohibited by his attorney, Thomas J. Minnick Jr., of Philadelphia, whom he consulted following the interrogation of October 10th.

Edward McKernan referred to was Acting Vault Custodian and Shipping Clerk at the Philadelphia Mint during 1933 and until October 31, 1936, when he retired. McKernan readily submitted to interrogation at considerable length on three occasions recently when his records were consulted and nothing to indicate that he was responsible for the circulation of the 1933 DE in question was developed; instead, the coinage of $8,900,000 in 1933 DE contained in sealed Vault F, Cage 1, which was under McKernan's protection and passed on to his successor, Louis Frizzle, was intact when melting of this coinage began as of February 6, 1937.

The feature of nine (9) 1933 DE having been used by the Assay Commission of February, 1934, was carefully investigated, and everything possible done to establish or disprove that contention. While it would have been possible for coins of another year's mintage to have been substituted in the assay, there is nothing to indicate that such was done, and the fact that 1933 DE coinage was not declared uncurrent until September 13, 1934, and thereby acquired a rare or numismatic value, would eliminate any motive of this kind on the part of those engaged in the assay of the preceding February.

At this time the persons from whom one 1933 DE each were seized, viz.: Max Bernstein, New York City; Col. J. W. Flanagan, Palm Beach, Florida; and J. F. Bell, Chicago, Illinois, are seeking either the return of their coins, or a definite decision on the part of the Government that such coins are to be retained so that they may proceed to demand refunds of the respective prices they paid the persons from whom they purchased the coins. The matter has been discussed with the Director of the Mint, Mrs. Nellie Tayloe Ross, and the opinion prevails that all of the nine (9) 1933 DE known to be in unauthorized circulation are the property of the Government, and those known to be in the hands of private individuals should be recovered. It is possible, however, that there may be some litigation in the matter and it is respectfully suggested that an opinion from the General Counsel should be secured to govern further handling along the lines stated.

During the course of this investigation, in an effort to determine the source from which Switt and Silver obtained the 1933 DE in question, it has developed that each of these persons has conducted his respective business on a large scale, acquiring parcels of real estate both jointly and singly, and while information has been obtained

from those with whom they do business that their profits are large, their respective Income Tax Returns for the years 1936 to 1943 show that they have not made returns commensurate with such transactions; instead, in the case of Switt, his business grossed in 1937 $60,634.80 for which year he paid no tax, nor did he pay any tax for any year until 1940, when, on a gross income of $59,850.41, he paid $50.79. Similar apparent infractions exist for the years 1941, 1942 and 1943. Silver's income tax returns, obtained through his attorney, show that while during the years 1936 to 1943 his business grossed close to $200,000 annually, he paid little or no income tax during those years. His attorney advanced the explanation that his client worked on a very small profit. In this connection it has been determined that on March 16, 1939, Silver purchased in his wife's name property for $3,000, paying $1,000 cash, and the balance through a mortgage given to the Integrity Trust Company of Philadelphia. This property Silver purchased from one Dora Gross, his mother-in-law, whom during that year, and in subsequent years, he claimed as a dependent in his income tax returns. On August 21, 1943, Silver and Switt jointly purchased the premises at 130 South 8th Street, Philadelphia, for $13,000, paying $5,500 in cash and giving a mortgage for $7,500. This property was sold to settle an estate, and the price is far below that of neighboring properties of similar type. A bank account was located in the name of Edward Silver in the Central Penn National Bank of Philadelphia, upon which Switt holds a power of attorney to sign checks, and as checks issued to Switt for the sale of the 1933 DE coins to MacAlister passed through this account, it would appear that this account is used jointly. While Switt and Silver profess to operate individual businesses, information from their associates indicates a "silent" partnership. A bank account for Israel Switt was located in the South Philadelphia National Bank, 2nd and Pine Streets, Philadelphia; this account, opened in May, 1934, carried very small balances and was entirely inactive from January, 1942, until June, 1944, when it was examined. The income tax returns of both Switt and Silver are taken care of by Israel Rubin, an accountant with offices in the Widener Building, Philadelphia.

In accordance with instructions from Chief Coordinator Elmer Irey, such information and assistance as may be desired in connection with the affairs of Switt and Silver will be furnished by the reporting Agents to Mr. Arthur R. Fleming, Special Agent in Charge, Intelligence Unit, Philadelphia.

Very truly yours

HARRY W. STRANG, Agent

CHARLES B. RICH, Agent

APPROVED:

FRED W. GRUBER,
Supervising Agent

cc - SA, New York
cc - SAC, Intell. Unit, Phila.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, United States Secret Service DATE: September 23, 1952

FROM : Director of the Mint N.T.R.

SUBJECT: 1933 Double Eagle.

Appended is a copy of a self-explanatory letter of September 4, 1952, from Louis Eliasberg of Baltimore, Maryland, and the Mint reply thereto.

Mr. Eliasberg, you will note, has surrendered a 1933 Double Eagle to the Mint in Philadelphia, which he states he acquired on April 15, 1944 from a Mr. Reed in Philadelphia. The individual he mentions is apparently Ira Reed, 37 South 18th Street, Philadelphia, Pennsylvania, who has previously been involved in the purchase and sale of other 1933 Double Eagles.

We propose to withhold melting the Eliasberg coin until a decision is reached in the case of the Stack coin which is now the subject of litigation. In addition to the Stack coin, you also continue to hold 7 other 1933 Double Eagles which were seized a few years ago.

While in your office recently Mr. Failor noted that you have a summary sheet which gives the history on all 8 of the coins which you are holding. If possible we should like to have a copy of such sheet, for our records, inasmuch as certain of the Secret Service reports relating to the Double Eagles which were recovered are not contained in Mint files.

You will note that when investigation was made originally on the 1933 Double Eagles, it was thought that 10 of these coins had been stolen from the Mint although, later information cast some doubt as to whether or notthere actually was a 10th coin. The fact that you have 8 of the coins and we have one, together with our knowledge concerning the coin held in ex-King Farouk's collection we can now account for 10 coins.

Chief, United States Secret Service September 23, 1952

Director of the Mint

1933 Double Eagle.

Appended is a copy of a self-explanatory letter of September 4, 1952, from Louis Eliasberg of Baltimore, Maryland, and the Mint reply thereto.

Mr. Eliasberg, you will note, has surrendered a 1933 Double Eagle to the Mint in Philadelphia, which he states he acquired on April 15, 1944 from a Mr. Reed in Philadelphia. The individual he mentions is apparently Ira Reed, 37 South 18th Street, Philadelphia, Pennsylvania, who has previously been involved in the purchase and sale of other 1933 Double Eagles.

We propose to withhold melting the Eliasberg coin until a decision is reached in the case of the Stack coin which is now the subject of litigation. In addition to the Stack coin, you also continue to hold 7 other 1933 Double Eagles which were seized a few years ago.

While in your office recently Mr. Failor noted that you have a summary sheet which gives the history on all 8 of the coins which you are holding. If possible we should like to have a copy of such sheet, for our records, inasmuch as certain of the Secret Service reports relating to the Double Eagles which were recovered are not contained in Mint files.

You will note that when investigation was made originally on the 1933 Double Eagles, it was thought that 10 of these coins had been stolen from the Mint although, later information cast some doubt as to whether or not there actually was a 10th coin. The fact that you have 8 of the coins and we have one, together with our knowledge concerning the coin held in ex-King Farouk's collection we can now account for 10 coins.

cc: United States Mint
Philadelphia, Penna.

000913

KMF:mm 9/23/52

SEP 1 4 1952

Mr. Louis Eliasberg
Eliasberg Bros., Inc.
P. O. Box 508
Baltimore 3, Maryland

Dear Sir:

Referring to your letter of September 4, 1952; the Mint is unable to accede to your request for the return of the 1933 Double Eagle which you have surrendered to the Superintendent of the United States Mint at Philadelphia,

In the case of United States vs L. G. Barnard in the District Court of the United States for the Western District of Tennessee, Western Division. Civil Action No. 898, the court held in July, 1947, that the Government was entitled to the possession of the 1933 Double Eagle in question on the theory that the Double Eagle was never issued as currency but that it was and always has been recognized as a coin of virtu, rare coin, and as such, having been illegally removed from the Treasury, the Government is entitled to the possession of that coin.

Very truly yours,

(Signed) Nellie Taylor Ross
Director of the Mint

cc: United States Mint
Philadelphia, Penna.

000915

KMF:mm 9/23/52

CO-10468

DEPARTMENT OF JUSTICE

UNITED STATES ATTORNEY

EASTERN DISTRICT OF PENNSYLVANIA

FOURTH FLOOR, U. S. COURTHOUSE

NINTH AND MARKET STREETS

PHILADELPHIA, PA.

ADDRESS REPLY TO UNITED STATES ATTORNEY AND REFER TO INITIALS AND NUMBER

3432
JPM:MEB

U. S. SECRET SERVICE
FEB 7 1945
SUPERVISING AGENT
DISTRICT NO. 3
PHILADELPHIA, PA.

7

February 6,
1945

FEB 10 1945

Mr. Fred W.Gruber,
Supervising Agent,
U.S. Secret Service,
407 U. S. Custom House,
Phila., Pa.

Dear Sir:-

Re: Israel Switt, et al
Your file No. CO-10468

Further reference is made to your letter of December 18th, in the above matter.

This will confirm my telephone conversation with you that prosecution for the offense alleged has been barred by the Statute of Limitations. Consequently, no criminal prosecution will be instituted in this matter.

Very truly yours,

Gerald A. Gleeson

GERALD A. GLEESON
UNITED STATES ATTORNEY

J. P. McCormick

copied

A. Well, if it helps you, I can go back a stage. You asked me about the first coins coming to Spink. After I had bought them, I looked at the book and I was able to reconstruct the ten dollar pieces that ı had brought. They matched these lots in the sale which appeared not to have been sold, or certainly had not been sold to any of the known visiting buyers.

That is the important thing. Of the all the people who came from outside, from America and Europe, their names were obviously known to this man and were written in the book. When these were not written against, as I say, either it was because he did not know who the person was who bought them, which meant it could have been local, because the locals were allowed to buy too if they wanted to, or they did not sell.

When I had bought this first group from and I realised that they came from Farouk, you can appreciate I was very keen to find out if there were more coins and to understand where he got them from. Shortly after that when he reappeared in London, he came with a colleague, a

Q. When you say shortly after that, he

of the city with a jewellery shop but I do not know more than that. As I say, I use his mobile and his office telephone.

Q. brought to Spink with him?

A. No, I they he came ... I am not absolutely clear whether' before or after Spink. I think it was after Spink because I had left Spink by the end of November and I think came back either on his own. I am not sure, I cannot tell you exactly when I met I could have been just before I left Spink or shortly afterwards. It was around that time. The importance of was that it was explained to me that was the source of the coins. That is where had got them from.

Q. Did you talk to about this when you met him?

A. Yes, I did. It sort of came out over a period of time. He did not tell me everything right away. He just said that he had access to coins. He told me that he sold coins previously, some in Switzerland. He was selling jewellery, you see. He was not a coin dealer, he

reappeared in London, when did he come back?

A. It would have been some time in early 1994. He came with

Q. name, did you give me his full name?

A. His first name is , and then ı He is a jeweller from Cairo, he is not a coin dealer.

Q. Did you know him before he came?

A. No, I never met him before I he came with

Q. He is a jeweller in Cairo?

A. Yes.

Q. Where in Cairo is he located?

A. I do not know. I have never been to Egypt in my life so I have no idea.

Q. Do you have any business card or letterhead?

A. I have his phone numbers. It is all done; he rings me up or I ring him up. We never write to each other. There is nothing to write about.

Q. You do not know where his address in Cairo?

A. I would imagine he is in the centre

did not know anything about coins. He was intelligent enough to look things up in a few books. Like the Red Book, anybody could use that book, it is not difficult.

Q. .. was the source of the coins that you purchased from ?

A. Yes.

Q. Where did he get them?

A. He told me that he got them from the children of one of the colonel's with Nasser and that this man, who was now dead, or who even then had died, had acquired a great many coins from the Farouk sale.

Q. Who was the Colonel?

A. I do not know. I have never known the name.

Q. Does ı know the name?

A. He would obviously know the name, yes. He did not reveal that to me.

Q. Did you ask him?

A. No, because I was not trying to try to circumvent him. When you ask a question like that, their first reaction is that you are trying to cut them out. That was not my intention. Anyway, it would not have been realistic. He

1 explained to me the situation which was that the
2 man died and had left everything to his children.
3 The children were basically selling it off.
4 Because and his father, and I think
5 possibly his grandfather, had all been jewellers to
6 this family. They were a very wealthy important
7 family there. They trusted because he was
8 the family jeweller. Therefore, when they came to
9 sell things they wanted to be discreet so they
10 asked to act for them.
11 Q. So the children in essence inherited
12 these coins from their father?
13 A. Yes, they inherited them from their
14 father.
15 Q. The father was the colonel?
16 A. He was the colonel.
17 Q. How did he get them?
18 A. He bought them or acquired them.
19 I do not know how he acquired them.
20 Q. You do not know how he got them?
21 A. No.
22 Q. You do not know if the colonel was
23 a coin dealer of any kind?
24 A. No, he was a collector, he was not
25 a dealer. He was a coin collector. That he has

1 told me, yes. But when you say how he acquired
2 them, I do not know whether he bought them at the
3 sale, whether he bought afterwards or whether
4 Colonel Nasser gave them to him. I have no idea.
5 He had them and they went to him anyway.
6 Q. What are the names of the children?
7 A. The only person ... My contact
8 really
9 Q. He never disclosed to you the names
10 of his ----
11 A. No. It is not unusual in our
12 business. If somebody comes to you with something
13 for sale you deal with that person.
14 Q. Did you get any other information of
15 any kind about the Colonel?
16 A. No.
17 Q. You do not know anything about ----
18 A. He just told me that the Colonel and
19 his ... I call him a "colonel". I do not know if
20 he was a colonel, he might have been a major, he
21 might have been even higher. He was one of the
22 people close with Nasser who had instigated the
23 overthrow of Farouk, put the that way.
24 All told me was that
25 this man's family were family friends with his

1 family through the jewellery connection for several
2 generations. It is that trust and friendship was
3 why , the younger one, was now handling
4 the same.
5 Q. When you said , did you say the
6 young one?
7 A. I called him younger because he said
8 that his father had dealt with the family. is
9 about 32/34; he is not an old man. . He is now
10 handling this part of the business. As I said,
11 there was also jewellery from the family and also
12 antique watches which he has been selling for the
13 family. He is effectively their agent.
14 MS. LEVINE: Can we go off the
15 record for a second?
16 (Discussion off the record)
17 BY MS. LEVINE:
18 Q. So came with
19 and became known to you as the source of these
20 coins. Did you do any further business with
21 after that?
22 A. Yes, I bought a great many coins
23 from , almost exclusively in 1994 and
24 1995. Most of the relationship, what I did with
25 , is documented here in the papers.

1 Q. In the papers that you produce?
2 A. Yes, correct.
3 Q. What happened to ? Did
4 you work through them or ----
5 A. No. wanted to handle it
6 himself. I think he felt that was not
7 always very discreet. Also he just preferred to
8 deal directly. knew that he was dealing
9 with me directly. He probably had his own
10 arrangements with but I do not know
11 because it was never discussed. Sometimes
12 would come with , sometimes
13 he came on his own. Whatever the relationship
14 between them, it was perfectly equitable, no
15 problem.
16 Q. After the first purchase of the ten
17 dollar pieces you starting dealing directly with
18 ?
19 A. I bought one or two more coins from
20 But again, I am sorry to say,
21 I cannot remember exactly the dates when I was with
22 Spink. I think that there was few more coins that
23 I bought because that is when I sold the first coin
24 to Mr. Fenton.
25 Q. In the second group of coins?

A. Yes.
Q. What happened to the first group of coins?
A. The first group I sold at the American Numismatist Association Convention in August 1993, in the States.
Q. Who did you sell them to?
A. I sold them to a company called Rarcoa from Chicago.
Q. I am sorry, which company?
A. Rarcoa, R-A-R-C-O-A from Chicago.
Q. Who is the principal of that company?
A. A man called Ed Milas, M-I-L-A-S.
Q. He bought all of them?
A. Yes.
Q. For how much, approximately?
A. I think it was about $100,000, something like that.
Q. Approximately what kind of profit did you make off those?
A. I made a very good profit on that one, it was a very good deal. I cannot remember, I think it was probably 50%. I doubled it, something like that.

Q. Did you advertise these coins in the catalogue?
A. No. At the Convention you go to them and meet the dealers. He came around to see me. The reason I chose him was because he was involved with Spink in Switzerland. We had a company at this time called Spink Tiso which Mr. Milas was a partner in. As a result of that I thought it was appropriate, since he was an American partner with us in Switzerland, that I should approach him. So I approached him.
Q. Did you offer them to anyone else?
A. No.
Q. Did you offer them to Mr. Fenton?
A. No.
Q. You just offered them to him.
A. Yes.
Q. Did you negotiate with him over the price?
A. Yes, we argued a little bit. He tried to push me down and I tried to push him up.
Q. Did you have any arrangement to give anyone else any portion of this profit? Was expecting anything more from you?
A. No.

Q. Did you approach Mr. Milas with these coins telling him that you believed them to be part of King Farouk, the ex-King's, Collection?
A. I cannot remember whether I told him that or not. He was so excited by the quality of the coins. I think I probably must have mentioned it to him because he would have been amazed where I got them from. I could not swear to it to say whether I mentioned it to him or not.
Q. You were with Spink when they were sold?
A. Yes.
Q. So, they were sold on behalf of Spink?
A. Yes.
Q. You do not have any documents?
A. None at all, that was a complete Spink transaction.
Q. Then after this batch you said that you bought a couple of others from ?
A. Yes, I think it was still from He came back with a few more.
Q. Which ones were those?
A. I think one of them was a five dollar Indian Head. I remember that coin. The

others, I cannot remember. I think they were just bits and pieces, a few small, maybe two and a half dollar gold pieces, minor, not big value but just small denomination coins, but American gold coins. But there was only a handful, not many.
Q. You again bought them on behalf of Spink?
A. Yes.
Q. Did you check the King Farouk Catalogue for these coins?
A. Yes. After the first time around everything that came in I went to look in the book to see if it was there.
Q. Could you find them for me in this catalogue you have in front of you?
A. The five dollar I might be able to find, but the others not until I have my own records. Then I can start to backtrack, then I can cross-refer. It came out of this group.
Q. You are looking at page 32?
A. Yes. You see the incuse head, five dollar one. I think that was either in 1908 or one of those.
Q. In your catalogue these also do not have any broker name?

the money for them?

A. I believe so because I believe what happened was that as the coins became more expensive and the price, the amount of money involved, got greater it was beyond my capacity to do it. That is when I discussed with Mr. Fenton the idea that he should become the financier of the purchases.

If I had more time to do this, I may be able to find the purchase from because my brother is very precise. To be able to balance our accounts which are all approved, we would have to have the document to show that we paid We cannot balance the ledgers if we do not have the bought and sold.

Q. After this deposition if you could continue that search ----

A. I would be willing to do that certainly.

Q. If you could produce it at some point that is fine.

A. Yes.

Q. In August 1994 are you confident in your recollection that Mr. Fenton did not advance you the money for this purchase?

A. I am almost certain that he did not advance the money for the purchase. I believe these I carried out myself. This was the beginning. There was very little prior. There was a quiet period between when was selling first to Spink in late 1993, that is right, and then coming up in August 1994 when this began.

Q Did actually come to London physically with these coins to offer them to you? Is that how it came about?

A. He came to London with it. He has a safety deposit box in London so some of the coins may have been sent here already. I do not know. He just simply came to my office or I would go and visit him at his hotel. He would call me when he got in. We would meet and then I would look at the material. We would discuss the price with Mr. Fenton. Then we would pay him and Mr. Fenton paid me and that was it.

Q. You did not get any advice from Mr. Fenton or did you get any advice from Mr. Fenton?

A. Yes, I think I did get advice from Mr. Fenton on what to pay. I am not an expert, as I say, on these.

Q. Just to answer my question, do you remember for this transaction did show you these coins?

A. Yes, he showed them to me in London.

Q. Did you call Mr. Fenton after that?

A. Yes.

Q. Did he look at them?

A. Yes.

Q. Before you bought them?

A. I believe so, yes.

Q. And so he came to look at them with you?

A. Not with . I would have either gone to his office or he would have come to me. We would have met and I would have shown them to him.

Q. This is before you actually bought them?

A. Finalised the price with yes.

Q. What was your understanding with Mr. Fenton finally?

A. My understanding at this stage was that I made a profit on them. In other words, we did not have any other understanding. I had found

the coins, he told me what he could pay for them, and I sold them to him. I was able to buy them for less and therefore I just made a profit. As I recall that is how it started.

Q. What was your profit on this transaction?

A. I think not very much, I think it was only a few hundred pounds. was very hard on price, always very tough on price.

Q. How did you determine the profit you would make on the sale? Was it a percentage?

A. I tried to work on a percentage, but sometimes it is purely on what is possible. In other words, in this particular situation asked a lot of money. I discussed it with Mr. Fenton. This is how I believe it went. Mr. Fenton indicated the maximum he could pay, then I had to go and fight with to keep the price below that. I was already aware by this point that was going to be able to provide many interesting coins and so I was keen ----

Q. How were you aware of that?

A. Because he told me.

Q. What did he tell you?

A. He just said that the family had

A. There were two in this lot. The first two, there was a president Pattern and there is another one underneath. One was marked as being in silver, the top one, because "AR" is the abbreviation we use for silver. The one below it was not, it was not marked. This is my brother's typing so he was not expertise. There were two of them, from 1872, it was those two.

MR. BERKE: Just to be clear for the record, the witness is referencing lot number 1895.

BY MS. LEVINE:

Q. Just also, since we are all now looking at the same page, there is no notation next to lot 1895 as to who might have purchased that?

A. Yes, which explains again there is a theory that either it was somebody local because they could not write the name down or it was not sold, which would explain ----

Q. It is just your theory ----

A. ---- how it would have been acquired afterwards by somebody locally. There were no after sales to the foreign dealers that was known. After the auction anything that was not sold, they could not go around and say, "Could we buy these afterwards?" As I understand it that was not

possible. What was not sold remained in Egypt.

Q. When there is no name depicted in your marked catalogue, what you can discern from that, your theory is that it was either withdrawn from the auction or sold to someone that the author did not know who it was but you do not know?

A. It was not withdrawn, it was unsold. Withdrawn they specified, just to be technical. "Withdrawn" means it was actually pulled back. This I do not know. I am guessing. I accept that. I do not know.

Q. You do not know because, you know, this happened a long time ago?

A. Yes.

Q. You were not there?

A. I was 9 years old at the time.

Q. Just to be clear, you offered us some theories as to what might have happened, but you have not any personal knowledge or have not seen any documents to tell you what would have happened to the unmarked coins?

A. No.

Q. Just to be clear. The next point upon you made was that after the auction, you said, dealers were not able to go back at some later time

to purchase the coins that were not sold. Explain that, tell me how you know that?

A. I was told that by somebody, but again it is only hearsay, so I do not know whether that is absolutely true. I was told because the sale was very disciplinely regulated that when the sale was over the people paid for what they had bought, they left the country and that was the end of it.

Q. So you have never heard of any coin dealer being able to purchase a piece of the King Farouk coin collection from the Egyptian Government after the 1954 auction?

A. No, no foreigner anyway.

Q. Have you heard of any Egyptian person purchasing any English pieces?

A. Only the version that I received from , that this man was a collector and he both bought at the sale and acquired afterwards. That is only hearsay. I do not know for a fact.

Q. Tell me exactly what told you about the person who you refer to as the "Colonel". Did tell you, "Just refer to him as the Colonel" and you are not sure whether

he was a colonel?

A. He calls it "the family".

Q. But the Colonel is allegedly the person who had possession of the coins to be able to pass it on to his family?

A. That is correct.

Q. Did tell you that the Colonel bought coins at the auction in the way the dealers did?

A. He told me that he was told that the man had bought at the auction and had acquired further coins after the auction. That is certainly how the children informed him and that is how he understood it to be.

Q. If he had bought at the auction he would have had to have been a registered person just as the other dealers, is that your understanding?

A. I do not know because it might have been different for the locals. All the other buyers were foreign. They had to come into the country with special permits and so on. I have no idea how it applied to local Egyptian people.

Q. You do not really know how that would have worked?

again just a summary note reminding me of the coins that I sold at Hess, the coins I sold at Partin it is just a repeat note to remind me.

MR. BERKE: You are reading from a document that is March 24th, 1995 handwritten?

THE WITNESS: Correct.

BY MS. LEVINE:

Q. The next page is more handwritten notes?

A. This is all my scrawl. This is indications at the time of discussion with Mr. Fenton. This indicates when they speak more expensive coins. There is the ten dollar 1868 which came up. We sometimes work on what you think they could be sold for and work backwards to what is a safe price to pay for them. This is just purely rough note calculations, that is all. These were just ----

Q. These are notes taken in determining what price to offer for these coins?

A. Yes.

Q. Next one looks like more notes, a note pad from Italy?

A. This was notes that a conversation, a three-way exchange between getting information

from Mr. Fenton and discussing with You will note that, interestingly, on this particular occasion . was using Farouk numbers because I told you the family had them. These numbers down the side, 312 and 315, are referring to the Farouk lots. He was asking me for an opinion about that they were worth. I warned him that some might be a fantasy. I wrote them down. "Privately made". "Num" is short for numismatist fantasy, coin fantasy.

Q. What does that mean?

A. It means that it was an unauthorised copy made later trying to look like it but it was not actually real. The other side is more of these little notes. It is just an indication of the conversation.

Q. Notes of your conversation with Mr. Fenton or ?

A. They were kind of a cross-over. I had to asked Mr. Fenton advice about value and I had the information from . It was kind of like me between them.

Q. The next one, is this your handwriting?

A. No, that is Mr. Fenton's to me.

That is an indication, I think, of what he thought they might be. This group, you see, was the same as the information on this little note here about the earlier one where I said there was the ten dollars. It is just more copies of internal.

Q. None of these notes we have just gone over, the handwritten, refer to the 1933 document?

A. No, it relates to everything else. This just again is more again rough notes. I think it is possibly a repeat of it just showing again working out what we thought we could sell: the Brazil bars, the Pattern ten dollars.

That is the note of again of the coins from , an overall figure and I think the 83,000, the transfer that you saw from us to bank included, you see, for the 6,000 for the two Pattern Trade dollars. That is again a repeat back of the two Trade dollars that we referred to earlier. Most of this documentation is support but effectively repetitious to what is in the other.

Q. Mr. de Clermont, there is not a single document in here, the packet that we have just spent the whole day going through, that refers

to the 1933 Double Eagle?

A. Right.

Q. When was the first time that you had any discussion about that coin?

A. The 33 came up as at some stage of 1995, as he started to turn up with these good American coins like the Pattern 10 dollar. I said to him there is a 33 $20, a rare one in the Farouk Collection. He just said, "Well, if it comes, it will come". As I said before ----

Q. As you said to him ----

A. As I said before, I raised the subject with him and said, has he seen a 1933 $20 as part of what he had been shown by the family.

Q. When did you ask him that?

A. Some time in 1995, when it became clear that they had a number of these more expensive and he turned up with a Pattern 10 dollar I think at about that time.

Q. After he turned up with the Pattern 10?

A. Not specifically the Pattern 10, I would not tie it to a particular coin. Just it came up in the course of a conversation. I saw him many times and we would talk about the Farouk and

all the things from Farouk. So inevitably, the conversation at some point came around to that coin.

Q. Why?

A. Because I was interested in any rare coin in the sale.

Q. Why did you ask him about that coin?

A. Because it is a rare coin just like the Venezuela and many other coins in the sale were rare. I would ask him that if he had seen things but he always said the same thing to me in reply which was, "I can only get what they show me".

Q. You specifically asked him about the 1933 double eagle?

A. No, it came up in a conversation. We were talking about rare coins in the sale, in the collection of King Farouk.

Q. You asked him about 1933 double eagle?

A. Yes, I said to him, "Have you seen that coin"?

Q. My question to you is, of all the coins depicted in this catalogue, which I think is several hundred pages, why did you ask him about that particular coin?

MR. BERKE: I object. Mr. de Clermont said he also asked him about other coins.

THE WITNESS: It was not particularly about that coin, it was about ----

BY MS. LEVINE:

Q. That is not what ----

MR. BERKE: What was it ----

MS. LEVINE: Let him answer. Mr. Berke. This is ----

MR. BERKE: But you mischaracterised his testimony.

MS. LEVINE: I asked him a question.

MR. BERKE: No, no, but you mischaracterised it. He said he asked him about the 33 but he also said before that he asked him about other coins. So you said, "Why would you only ask about that one coin"?

BY MS. LEVINE:

Q. I did not ask him whether he asked only exclusively about that coin?

A. No, I did not exclusively about that coin. I asked about many rare coins. I asked him ----

Q. Which other ones did you ask about?

A. The Brazilian bars which I was

interested by. I was interested in a Venezuela gold coin which he sold me. It was very rare. I had never seen one before and the Venezuelan market was very good at that time. I asked him ----

Q. You asked him specifically about those coins and then he was able to offer it to you?

A. Some of them not. Some of them I have never seen. I asked him about some of the ancient Roman coins. He said he knew they had some. But I did not get everything I asked for if that is what you mean, no. He came with things from time to time and some of the things he was able to find and some of this things he was not able to find. It was not so much that he was not able to find, he was not offered.

Q. Let us get back to the question. What prompted you to ask him about the 1933 double eagle?

A. Because it is rare and because I had seen, going through here, that it was in the sale. And said "withdrawn" so I was reasonable enough, I asked him, "Do they have that coin?"

Q. Did you anything about that coin?

A. No, I know it is very rare.

Q. And how do you know it is very rare?

A. Because it is printed in the Red Book. It says not issued for circulation. It is printed in the Red Book.

Q. You are referring to the American Red Book?

A. Yes.

Q. Is that the exclusive source of your knowledge about that coin?

A. Yes. As I said so you, I am not a specialist in American coins. I do not deal heavily in them. I was obviously interested to deal in these because of the pedigree of the collection.

Q. Did you look up every single US coin in the American Red Book, every US coin in the King Farouk Catalogue? Did you check the American Red Book?

A. I have looked in the Red Book on many of the coins, yes.

Q. And ----

A. Indeed I looked up in other catalogues for other coins too that were from other countries.

Q. Other than seeing what the American Red Book said about the 1933 double eagle. did you know anything else about that coin?
A. No.
Q. Nothing?
A. At that stage, no, I mean I just knew it was rare.
Q. Before you met did you know whether or not King Farouk had a 1933 double eagle in his collection?
A. Yes because it was in his catalogue.
Q. That is something you knew from the catalogue or had you heard that apart from the catalogue?
A. No, I knew it only from the catalogue.
Q. Had you ever discussed the 1933 double eagle as opposed to any other year? Had you ever discussed that with Mr. Fenton?
A. No, not at all that stage.
Q. I am talking about at the time that you asked whether he had access to a 1933 double eagle?
A. I did not ask him. To be fair. I did not ask him if he had access to 1933. I said

to him when he was being offered coins for me to buy if he saw .... Because he told me that on one occasion he had been offered some bank notes. which is what prompted this. the way I talked to him. He told me he had been offered these bank notes because I asked him about the bank notes He said I told the family they were not very important and I did not know anything about it so they went back. I said that was a pity. I said. "Obviously if you see things you should check with me first". He said "What are you looking for" and I said "I am looking for anything that is interesting or rare".
He really asked the question of me. I did not say to him at any point. can you get me this?" or "Can you get me that? If you see these, I am interested. " That is what I said to him. I pointed out, obviously, the coins that were rare. Even he himself was not shown everything. It was only in the end what was made available to him.
Q. You pointed out the 1933 double eagle to him as one you were interested in solely because you had seen it in the American Red Book as saying not issued?
A. Yes. because I knew it was a rare

coin.
Q. Your knowledge that it is was rare is based exclusively on the entry in the American Red Book?
A. Yes, I not have a library of American coins.
Q. You have never ever read anything about them?
A. No.
Q. You have never ever discussed it with any other numismatist in your entire career,, that particular coin, the 1933 double eagle?
A. I knew people had talked about the 33 because it is very rare coin.
Q. What have you heard people talk about it?
A. That they are around, but they are very rarely scene on the market. That the Mint had tried to get them back because there were known to be examples in Europe. It is only hearsay.
Q. You had heard that the Mint had tried to get them back?
A. Yes.
Q. Did that contribute at all to your understanding that it was rare?

A. Not to my understanding that it was rare. My understanding was that it is rare is that it is clearly stated in the catalogue that it was rare. Also, I had never seen one before. I had never seen one come for sale. I had never been offered one at my entire time at Spink. I never saw one. The answer is no.
Q. You have now said that during your career and talking to other numismatists, you have had occasion to talk about 1933 double eagle?
A. In 25 years I have talked about practically all the coins ----
Q. My questions is not 25 years have you talked about every coin. I am asking you specifically what your knowledge was about the 1933 double eagle at the time you started discussing it with ?
A. My knowledge was that it was desirable, rare, but that they never publicly traded as I understood.
Q. And what did that mean they were "never publicly traded"? What was your understanding?
A. That none ever came up in the auction sales, that the collectors had sold them

amongst each other. That is what I understood.
Q. You knew of collectors who sold double eagles amongst each other?
A. No. Remember, I am at a distance. All I have is hearsay, what other people told me happened.
Q. What did you hear?
A. That people had 33 20's, collectors, but they did not sell them openly but to each other, but they were sold. That is what I heard.
Q. What did you understand is the reason that collectors never sold them openly?
A. I understood that the American Government would like to buy them back or have them back.
Q. Wanted money to buy them back?
A. They wanted them back, I do not know what basis. I never went into that much detail over it.
Q. What did you hear was the reason that coin collectors did not sell 1933 double eagles in public?
A. I think because they wanted to make sure they did not lose the coin.
Q. What was your understanding about

the United States Government's position about those coins?
A. I have no idea.
Q. You never heard anyone talk about that?
A. No.
Q. You had never read anything about it?
A. No.
Q. But you just said before that you thought the United States Government wanted to buy them back or get them back?
A. That had applied, I heard, back in the 1950's during the earlier period. There had been no story. I had never heard anything in my working career about any of them anywhere with anybody, not one occasion. So I had no practical knowledge. I was not involved with the American coin market. I did not know what the position in the United States would be. The stories that I am referring to were told to me by my uncle when I was there in the early days. If you do not handle something you do not have an opportunity or reason to go into it.
Q. What did your uncle tell you about

the double eagle?
A. I cannot remember, just they were famous coins, that most of them had gone back to the Mint back in the 1930's and 1940's.
Q. So your uncle was aware of the history of 1933 double eagle?
A. Yes.
Q. He knew the whole story of the coin and history of it?
A. Hmm.
Q. He told you about it?
A. He mentioned and referred to it, but he has been retired a long time. I have not discussed it can him. That conversation probably came up a very long time, maybe 20 years ago or more.
Q. Some time in your career, developing this career you have as a coin dealer, you certainly had occasion to hear about the history of 1933 double eagle?
MR. BERKE: I object to the form of the question. You may answer.
THE WITNESS: The history, yes. As I say, if since the beginning or the middle of the late 60's when I started working, I have never seen

one. I have never handled one. I have never read an article in magazine or paper about one. The stories that I heard related to back in the 1930's and 1940's.
BY MS. LEVINE:
Q. What were the stories?
A. They had been sold to collectors and then there was a change of mind and they wanted them back again.
Q. You heard they had been sold to collectors?
A. I had heard that they had been sold but because of my ----
Q. By whom?
A. By the US Mint.
Q. And what else did you hear?
A. I heard that because America came off the Gold Standard -- this is what I heard, not what is necessarily the truth -- the Government decided they did not want to release the 33's and they tried to get them back again. That is what I understood.
Q. Do you know anything about the history of the United States laws relating to the issuance of gold?

A. No.
Q. Do you know whether or not the United States had at some point in its history stopped issuing gold coins?
A. They stopped when they came off the Gold Standard.
Q. Do you know when that was?
A. 32, 33 around that time.
Q. Had you heard that the 1933 double eagles had never been issued as legal tender in the United States?
A. No, I do not know that. That is a very technical thing. I did not know that. The fact that I understood was that they had been made that is all.
Q. You knew they had been made?
A. Because it existed, that is all I mean by that.
Q. You mentioned that you heard that the United States Government had made efforts to get them back. What did you hear about that? What stories did you hear about that?
A. Only what I said: that they tried to buy them back again.
Q. That the Government tried to buy

them back?
A. Yes, to reclaim them back. They asked people if they had them, would they give them back and give them their money back.
Q. What was the source of that story?
A. The same as all the sources: from my uncle, from people I talked to. We are talking a long time ago and we are talking in very general, very theoretical situations. I must have had a million conversations about different coins, famous coins, coins of all types, not just that coin.
Q. Is it fair to say that the stories you heard about this coin, did that in some way contribute to your interest in acquiring it?
A. Not really, no, just that I knew it was rare.
Q. And do you think that the history of a coin such as the 1933 double eagle can contribute to its value?
A. Not in that respect, no. The two things you asked me earlier about pedigrees: the history of a coin if it belongs to somebody famous; the history of a coin if there are only a few known. Those contribute to it but otherwise not

really, no.
Q. You said that you heard that 1932 or 1933 was the last year that the United States issued gold coins?
A. Yes.
Q. That was something you knew?
A. I knew that from the catalogue because it says they stopped making coins at that time.
Q. Had you ever heard that the United States had melted into gold bullion all the 1933 double eagles?
A. I did not know that.
Q. You never heard that?
A. No.
Q. Had you ever heard the allegation that 1933 double eagles had actually been stolen from the United States Mint?
A. No.
Q. That was not part of what you had heard in your stories in discussing it?
A. No. My stories that I heard were that they came out and they did not want them to come out because of the change and they tried to get them back again. That is what I understood.

Q. What do you mean by that, "they came out"?
A. People, I understood, in the industry had standing orders to buy coins, collectors. That is how some of the 33's were told. That is what I understood but then should not have been sold so they wanted them back again.
Q. Where did you understand that from?
A. From my uncle, people that told me at the time. It is such a long time ago. It is a kind of story that you just hear and you absorb it. You do not go and investigate. As I said to you, I had never had a reason to. I never seen one before.
Q. Did you speak to anyone else beside your uncle about these coins?
A. It is so long ago,, it is impossible to answer. I have had so many million conversations about coins, that coin, other coins I cannot say. I do not think so, no. Because the coin never touched on me there was no reason to. As I said from the outset, I do not deal in American coins. I do not spend time with US coin dealers. I spend my time with Germans, Europeans and Arabs. So, no, I do not come across them so it

is not a subject of conversation.
Q. You do remember that your uncle, a long time ago, told you that coins got out of the Mint and the United States Government tried to get them back. Tell me what he said to you?
A. Beyond that I cannot tell you anything more.
Q. You said something about coin dealers had standing orders to buy coins?
A. No, I mean collectors used to buy, and the collectors can buy from the Royal Mint today. Every year you can buy the new pound coin. I understood that in the old days American collectors used to buy and every year they would want to buy the next 10 dollar and the next 5 dollar. That is what I understood happened there, that people had wanted to buy the next and new issue there was nothing strange to that. That is how I understood it. That is the story I had heard of how they came out.
Q. You had never heard that 1933 double eagles were in fact stolen from the United States Mint?
A. No.
MR. BERKE: You have asked this

a couple of times now.
BY MS. LEVINE:
Q. I do not think so. Did you ever hear that the United States Government had made efforts to seize 1933 double eagles as stolen property?
A. I had never gone into that basis because ----
Q. Did you ever hear it?
A. I heard that people had had them taken back by the Government, of course, yes, I had heard that.
Q. Were you familiar that there was a lawsuit, a case involving a coin collector called Barnard?
A. No.
Q. You have never heard of a lawsuit between United States Government and a coin collector named Barnard?
A. Never heard of him.
Q. Do you know of any specific coin collector whose collection maybe you are familiar with who actually purchased a 1933 double eagle?
A. No.
Q. You could not name any specific coin collection?

A. No.
Q. Had you ever heard of any private collection having a 1933 double eagle?
A. No, because I have no contact with people who deal in that world.
Q. Did you know anything about how King Farouk acquired a 1933 double eagle?
A. I do not know how he acquired it, no. As he was a king, one has to be in perspective. This man was like a god in Egypt. I imagine he had enough courtiers and secretariats yachts and everything that did all the mechanical and technical side for him.
Q. Did you ever hear anything in your travels as a numismatist as to how he managed to acquire one?
A. No, I do not know how he acquired any of his collection except, presumably, that he bought them through fairly formal channels. I cannot imagine as a king he was down in the Souk buying them. I imagine it was all done through protocol.
Q. Did know anything about a 1933 double eagle?
A. Only that he had looked it up in the

book and it was rare.
Q. What did he tell you he looked up?
A. I think it was the Red Book. He just said that they had looked it up in the book and the family said it was rare to him.
Q. So did he regard this coin as somehow more significant or different than the others?
A. He did as a result of the family telling him, yes.
Q. Do you know what the family told him?
A. He told me that the father, who collected the coins, had just written notes on many of the coins. If something was written as rare, the family said that must be valuable because the father said it was rare. If there was nothing written on the envelope they did not seem to worry about it very much because they did not consider it rare.
Q. Did he give you any more information about what the father wrote on the envelope for the 1933?
A. Nothing.
Q. Just rare?

A. Just rare or maybe very rare.
Q. Other than that, did tell you anything else about that coin?
A. No. He never had any information as far as I know.
Q. So some time in 1995 is when you first inquired of as to whether he could get a 1933 double eagle?
A. Yes, I asked if he had seen it, yes.
Q. And he said?
A. He said that he had not, at that stage he did not know, but he said that "If it is there or if they offer it to me I will obviously try to get it".
Q. Did Mr. Fenton ask you or advise you to enquire specifically about a 1933 double eagle?
A. Not specifically about it, no.
Q. You said earlier, you do not consider yourself an expert in American coins?
A. No, I am not an expert in American coins. In you are an American you know that, for example, in England that the Edward 8th £5.00 gold piece is very rare because he was king for a very short time. It is a story, as you have asked me earlier. When one talked about American coins in my

early days I knew the 33 was a famous coin
Q. Even if you, who are not an expert in United States coins, knew there was a story behind 1933 double eagle?
A. I knew it was rare, yes.
Q. You knew the story, that you have just finished telling me.
A. Yes.
Q. You knew there was this issue as to whether some had gotten out of the Mint and how?
MR. BERKE: Object to the form of the question.
THE WITNESS: I did not know. I had been told the stories. I was not there at the time. I could not have known.
BY MS. LEVINE:
Q. You did not have personal knowledge. I am not accusing you of having personal knowledge of what happened in the 1930's. I am asking you to tell us what it is that you did not know about it and I think you have. You said that you knew ----
MR. BERKE: We have his testimony already as part of the record.
MS. LEVINE: That is fine. I am entitled to ask and I am going to ask.

MR. BERKE: You have; it is part of the record.
BY MS. LEVINE:
Q. You are who are A self-described non-expert in United States coins, but a numismatist nonetheless, you knew enough about the 1933 double eagle to know it was a special coin. Is that a fair statement?
A. Yes, that is a fair statement.
Q. You did not need Mr. Fenton to tell you to ask specifically about that coin?
A. No.
Q. He did not ask you?
A. He did not specify it, no.
Q. You recognised it by yourself to be a coin with a story as you put it?
A. I recognised it from the catalogue, yes.
Q. Tell me what happened next?
A. What happened next was that on one of those visits, came over and produced the coin.
Q. Unannounced?
A. Yes.
Q. He did not call you in advance to

say "I got the 33 you asked about"?
A. He brought it over and said "Here it is".
Q. Do you remember when that was approximately?
A. It must be, I suppose, some time late summer of 1995, I would think.
Q. He physically brought the coin to London?
A. Yes. I presume so. All I know is as in every instance he appeared in London and showed it to me, so, yes.
Q. So it is late summer of 1995 he came to your shop, your office?
A. Yes, he either came to the office or I met him at his hotel, I do not remember which. Mostly I met him at his hotel. You.
Q. You went alone to his hotel?
A. Yes.
Q. Tell me about the discussion you had with him?
A. He just simply said that he had this coin, it was very rare and he wanted to sell it. He asked me if I was interested. Like anything else, he wanted to sell this coin as well. I told

Mr. Fenton that the coin was with me.
Q. The coin was with you?
A. The coin was here, physically, in London.
Q. Not during the meeting with ?
A. No, no, afterwards.
Q. Just before you get to calling Mr. Fenton, did you talk to i about the price of the coin?
A. Yes, I asked him what he wanted for it.
Q. What did he say?
A. He was asking for around $325,000.
Q. For that coin alone?
A. For that coin alone.
Q. Did he show you other coins? 325 did you say?
A. I think it was around that sort of figure.
Q. For this one coin?
A. There were a few other lesser coins which I cannot remember what was there but they were not important. They were maybe a few other American gold coins but not rarities -- not that

I can recall they were, anyway.
Q. You cannot recall which particular coins, but there were a few others?
A. There were a few other coins with it, yes.
Q. The price he was demanding or asking for was 325 for all of them?
A. Correct, yes.
Q. And did you talk to him that the price was derived, largely based on the value of by the 1933 double eagle? Was that understood?
A. Yes.
Q. How did you leave it with at that conversation?
A. Given the amount of money that he was asking, it was way beyond anything of my resources so I raised the matter with Mr. Fenton, who expressed interest to buy the piece.
Q. Did you contact Mr. Fenton immediately after this meeting?
A. I went to see him, yes.
Q. Where was the coin?
A. With
Q. You went to see Mr. Fenton. What did you tell him?

A. I told him that the coin was for sale and he was interested to buy it but he said the price was too high. I do not think he reacted immediately the same day to my recollection. Even understood it would take a few days to decide. Eventually I went backwards between the two of them and Mr. Fenton made an agreement with to buy the group for something like 200 or 220.
Q. Now, when you say Mr. Fenton made the agreement, how did the negotiation work? Were you doing the negotiating with ?
A. Yes, they never met. I went between the two of them.
Q. In all of your dealings with did you ever introduce Mr. Fenton to him directly?
A. No.
Q. Why not?
A. In a way it just seemed inappropriate.
Q. Why?
A. I felt it slightly undermined my own position because had been my source and I felt that it was something that I wanted to

retain. I think it is a kind of professional pride just like I told you I never asked Mr. Fenton who he sells to, that is his business. He never asked me where I sold the other coins that I sold. In the case of this, the principle had been established that I dealt with and so I did not deem it necessary.
Q. Even when Mr. Fenton was financing 100% of the purchase?
A. Mr. Fenton was not unhappy. He trusted me. In this particular instance, because the value was so much greater than anything that had been dealt with before, Mr. Fenton settled with him directly. So there was no question of me being in between and not being opportunistic and trying to distort the price to tell one figure and Mr. Fenton another to preserve my own interest. I did not do that. It was simply settled directly.
Q. When you say "settled directly" you did put them in touch with each other?
A. No, what I mean was that when a price was agreed, Mr. Fenton wired the money directly to bank. Mr. Fenton had the coins and was paid. That is what I mean by it was done directly. They never actually

1 met.
2 Q. Before we get to Mr. Fenton's wiring
3 the money to how many discussions
4 would you say did you have to negotiate the price?
5 A. Quite a few. I cannot remember,
6 maybe four or five.
7 Q. Over how many days?
8 A. A few days.
9 Q. How did the negotiation go? What
10 price did Mr. Fenton offer?
11 A. I cannot remember the exact amounts
12 quite honestly. It was a typical argument between
13 somebody trying to buy a coin from the Middle East
14 who asking a lot of money. Mr. Fenton offered, I
15 think, way below what wanted and
16 eventually it was a question of coming together and
17 agreeing on a figure: I do not remember that one
18 day we said so much or the next.
19 Q. You do not remember the numbers
20 discussed?
21 A. I just remember in the end they
22 settled around 220.
23 Q. Did you inspect this coin?
24 A. Yes, I saw it with
25 Q. Did he show you any paperwork or

1 documents relating to this coin?
2 A. No.
3 Q. It was the same as the others?
4 A. The same as everything else, yes.
5 Q. Did you do anything to determine
6 whether this was in fact the same coin that had
7 been a part of the King Farouk collection?
8 A. It had to be the King Farouk
9 specimen because, firstly, as I said to you, I had
10 never seen one before. I had been getting all these
11 coins, every one I could document back. This had
12 been going on since 1993 to 1995. Every one was
13 from the Farouk sale. Then comes with
14 the 33. Yes, it was obviously the King Farouk
15 coin.
16 Q. Is there any physical mark on the
17 coin that would identify it as part of the King
18 Farouk Collection?
19 A. I do not believe so. It was not
20 illustrated in the catalogue.
21 Q. So Mr. Fenton and agreed
22 on a price. What did you say it was?
23 A. I believe it was around 220,000.
24 Q. How did it come about that
25 Mr. Fenton actually wired money directly to

1 ?
2 A. I told Mr. Fenton that because of
3 the amount of money there was no point in it going
4 through me if he was buying it directly from him.
5 In this particular instance I was going to get
6 a commission when it was sold.
7 Q. Why was Mr. Fenton buying this
8 particular coin directly from ?
9 A. Because it was so much higher
10 value. I was not involved in the deal at all in
11 the sense of any money. Before I had not been
12 doing that either. wanted the money
13 quickly. To send it to me for the same amount for
14 me to then send it to bank ----
15 Q. Is that not what you did on the
16 prior transaction?
17 A. It did on a prior transaction, but
18 they were for smaller amounts. There was also the
19 question of how wanted to be paid.
20 I just said at the time, "You can pay
21 directly".
22 Q. Is there any other reason?
23 A. The other reason was because the
24 deal was done in dollars and I do not have a dollar
25 facility. That was another point.

1 Q. Why was the deal done in dollars?
2 A. Because they talked in dollars.
3 I do not remember why; just it was done in dollars.
4 Q. When you say "they talked in
5 dollars", I thought they did not speak to each
6 other.
7 A. kept quoting dollars and
8 Mr. Fenton kept pricing it in dollars, so the deal
9 was talked of in dollars not in pounds.
10 Q. None of the other deals that you did
11 with were talked of in dollars?
12 A. Yes.
13 Q. Was there any reason?
14 A. Not really, only because the amount
15 of was higher. It can happen in a conversation; it
16 just became a dollar discussion and finished as
17 a dollar transaction. Mr. Fenton would have no
18 objection to paying in dollars, I understood. I do
19 not have a dollar facility in that way to do it, so
20 it was done direct.
21 Q. Did Mr. Fenton look at the coin at
22 any point before he purchased it?
23 A. Yes, I showed the coin to
24 Mr. Fenton.
25 Q. Where was ?

A. At his hotel or wandering around town.
Q. He gave you access to the coin?
A. Yes. There has always been trust. He trusted me that I was not going to run away with it.
Q. When you were looking at it did you and Mr. Fenton have any discussion about it?
A. Not really, I just wanted to know if he wanted to buy it.
Q. Did you ever talk to Mr. Fenton about the history of this coin in any way?
A. Only that it was the Farouk specimen, which was obvious because by this point we had discussed Farouk several times. I just said to you, everything else was coming from Farouk.
Q. This particular transaction for the purchase of the 1933 double eagle was done directly between Mr. Fenton and ?
A. In fiscal terms, yes.
Q. What do you mean? Are there any other terms?
A. No, I suppose not. What I meant was that it was done direct in the sense that on this occasion the money was sent directly by Mr. Fenton

to
Q. What were your arrangements, if any, with Mr. Fenton about the 1933 double eagle?
A. That when he sold it I would get a commission or a percentage. We did not fix a percentage. He just said that I would earn money from it when he sold it.
Q. Did you have the same one half of the profit arrangement?
A. No.
Q. Why not?
A. Because I felt it was unreasonable on the size. He spent over 200,000 dollars for it. It is a lot of money. I am just not a greedy dealer. I trusted Mr. Fenton. He did not know what he was going to sell it for at that stage. I asked him; he said that he did not know. I said "I will leave it with you. When you sell it you will tell me and we will settle something equitably".
Q. In all of the other coins you had made a specific arrangement to take a percentage or to take one half ----
A. Yes, but they were smaller unit values.

Q. Let me finish my question. ---- of the profit.
A. Yes.
Q. Explain this to me, Mr. de Clermont, how does the initial price of the coin at all impact on how large or small the profit is going to be?
A. Normally in business if you have a very high value item the commissions are lower. Sothebys and Christies usually have to lower their commission to vendors when they are selling a painting for 10 million. When you sell something for 50,000 the commission is different. When you are talking ----
Q. We are talking ----
MR. BERKE: Let Mr. de Clermont finish.
MS. LEVINE: He is not answering my question.
A. I am answering it, in this particular instance, because Mr. Fenton had paid what I estimated must be over $200,000 for one coin and he did not know what he was going to ask for it, he had an idea, I guess, of what he might sell it for, I said to him -- and it may sound very

strange to you, but it is the truth -- that we did not have a specific agreement. All I knew was he said, "Andre, I will look after you. You will do very well if we sell the coin well", and I said "That is fine with me".
I did not get into detail. There was never any discussion, the reason being because it was a single coin of much higher value than any other coin we had transacted previously.
Q. You had done some fairly expensive coins I think, previously.
A. The highest was $30,000 or $40,000. You are talking about something like $200,000. It is really very different. The majority of the coins much less than that. Most of the coins were 3,000, 5,000 or even less.
Q. How do you relate the price of the coin to what the possible profit could be?
A. Because I did in this instance.
Q. I am sorry, I am not understanding that as being the reason for not having an agreement with Mr. Fenton?
A. Put it this way, I would have expected to have got at least 10% to 20% of what he made on the coin but, in answer to your question,

1 page, does that also reflect coins that were
2 purchased by you and Mr. Fenton?
3 A. Yes, it does.
4 Q. That is a document that is prepared
5 by Knightsbridge Coins; correct?
6 A. Right.
7 Q. Again, these are Farouk coins that
8 can be found in the Farouk Catalogue: correct?
9 A. Yes, they are.
10 MR. BERKE: Thank you,
11 Mr. de Clermont. I appreciate your time today.
12 I have no further questions.
13 THE WITNESS: Can I just ask one
14 question of you both?
15 MR. BERKE: Would you like it to be
16 on the record?
17 THE WITNESS: No, off the record.
18 (Off the record)
19 MR. BERKE: I think we should put it
20 back on the record. Do you agree, Jane?
21 MS. LEVINE: Yes.
22 MR. BERKE: Why do we not get it on
23 the record?
24 Mr. de Clermont, you have raised an
25 issue regarding information that you would like to

1 have kept confidential pursuant to the agreement
2 that we entered into prior to today: correct?
3 THE WITNESS: Yes.
4 MR. BERKE: Why do you not please
5 describe what information you would like to be kept
6 confidential pursuant our agreement.
7 THE WITNESS: I would like to have
8 kept confidential all the naming of and
9 the explanation of the source of the Farouk coins
10 which was told to me by in confidence
11 which could cause him considerable embarrassment
12 and damage my own business relations should those
13 be made public knowledge to people.
14 This is the area that I would like
15 the confidentiality to cover, to keep that part
16 private and not made open.
17 MS. LEVINE: Mr. de Clermont, the
18 agreement is to keep whatever you reasonably
19 designate as proprietary information within the
20 terms of that agreement. Do I hear you to be
21 saying that the identity of as a
22 potential source of additional coins to you is
23 something that you would like to keep with the
24 terms of our agreement?
25 THE WITNESS: Yes, and also just the

1 mention of his name because I have revealed his
2 name, although I believe you already had
3 name.
4 MS. LEVINE: His name, that is what
5 I mean by "identity".
6 THE WITNESS: I do not want his name
7 to appear anywhere publicly because it would be
8 very easy for some aggressive dealer to start
9 making enquiries in Egypt to say "I want to go and
10 find '. I would rather that he remains
11 totally unnamed. I think that to protect his name
12 is actually protecting my own future business
13 dealings with him.
14 MS. LEVINE: I do not know if we can
15 get into this now. When you say you do not want
16 him named publicly, I have looked at our
17 agreement. We are involved in a lawsuit, we have
18 agreed not to reveal it unnecessarily in holding
19 a press conference or reveal to any other
20 numismatist that any of us may speak to and ----
21 MR. BERKE: We have also agreed to
22 alert the judge to the agreement in the event that
23 the information as contained, provided by
24 Mr. de Clermont, in a document to the court. We
25 will do that.

1 MS. LEVINE: We have public
2 proceedings in the United States and, you know,
3 I do not think we can represent that it will be
4 necessarily made public at some point. We have
5 agreed to notify the judge and we have agreed not
6 to disclose it to, you know, persons other than
7 parties or members of the court system.
8 MR. BERKE: Not to disclose it to
9 the press.
10 MS. LEVINE: Not to disclose it to
11 press, not to disclose it to any other individuals
12 we may speak to. The agreement speaks for itself.
13 I do not want there to be a misunderstanding as to
14 what ----
15 MR. BERKE: Rather than say on the
16 record, because I do not want to show confusion,
17 shall we agree to mark the signed agreement as an
18 Exhibit, de Clermont 8, as part of the deposition?
19 MS. LEVINE: I do not think we need
20 to mark it. It exists. I do not know if it is
21 evidence in the case of anything. We have all
22 signed it and agreed it. It is pretty
23 self-explanatory.
24 (Discussion off the record)
25 (Whereupon the deposition concluded at 5.50 p.m.)

DEPARTMENT OF STATE INSTRUCTION

2361

UNCLASSIFIED

NO.: A-158 January 27, 1954

SUBJECT: Request for Return of Coin in Collection of Former King of Egypt

83 ms
ORIGIN
NEA
INFO
DCL
OLI
E

CIA
TR

TO: The American Embassy CAIRO

Reference is made to Instruction A-128 of December 10, 1953.

The Bureau of the Mint has informed the Department that one 1933 United States $20 gold coin is listed in the Sotheby catalog entitled "The Palace Collection of Egypt - Catalogue of the Important and Valuable Collection of Coins and Medals - the Property of the Republic of Egypt and now sold by order of the Government." (Page 26, Item 185)

The Embassy is requested to bring this matter to the attention of the appropriate Egyptian authorities, and to make reference to the facts set forth in the reference instruction and its enclosures. The Embassy should request that the coin be withheld from sale and that it be returned to the United States Department of the Treasury.

For the Embassy's information, the Treasury Department is seriously concerned at the possibility of the sale of this coin. If it is not withdrawn from sale, the Department of the Treasury will probably issue a press release in Washington warning that the coin will be seized if it is brought to the United States. The Treasury is especially desirous of preventing any American from being victimized by paying a large amount for the coin and having it seized upon its return to this country. The Treasury Department may also request the issuance of a similar press release by the Embassy in Cairo.

In the event that the Egyptian Government does not comply with the Embassy's request for withdrawal of the coin from sale, the Embassy's comments are requested as to the most effective timing of a press release in Cairo, and any objections which the Embassy might have to such a release. The auction is scheduled for "Wednesday, 24th February and following 4 days; Wednesday, 3rd March and following 4 days".

SMITH, ACTING

UNCLASSIFIED

DRAFTED BY: NEA:NE:TRFrye;drj;trf

APPROVED BY: NE - W.C. Burdett

CLEARANCES: Bureau of the Mint - Mr. Failor, in draft

000933

REPRODUCED AT THE NATIONAL ARCHIVES

TELEGRAM — Department of State

ACTION COPY

13

UNCLASSIFIED

Action
NEA

Info
E
P
ND
OLI

FROM: Cairo

TO: Secretary of State

NO: 942, February 23

Control: 8658
Rec'd: February 23, 1954
11:21 a.m.

Tel dispatched NEA 2/23/54 JR

PRIORITY

USIA
OIA
DCL

Reference Embassy despatch 1969, February 17 and Department A-158, January 27.

Foreign Office confirmed orally today that Naguib has "ordered withdrawal coin from auction" to be held pending final decision re disposition. Notwithstanding coin not yet withdrawn and still on display auction room.

If Department considers press release necessary Embassy prepared issue simultaneously upon receipt text and release time.

CAFFERY

NLH/8

This Document Must Be Returned To DC/R Central Files

774.11/2-2354

NEA MESSAGE CENTER 1954 FEB 23 PM 12

FILE WC MAR 16 1954

UNCLASSIFIED

PERMANENT RECORD COPY

• This copy must be returned to DC/R central files with notation of action taken

REPRODUCTION FROM THIS COPY, IF CLASSIFIED, IS PROHIBITED

TELEGRAM

INDICATE: ☐ COLLECT
☐ CHARGE TO

Department of State

UNCLASSIFIED
Classification

07755

1954 FEB 23 PM 6 17

DC/T

SENT TO: Amembassy CAIRO 968

774.11/2-1154
87113

Origin

Info:

Reference EMBTEL 942, ~~[illegible]~~

View Egyptian Government assurance withdrawal coin from auction no press release considered necessary.

Dulles
(WCB) DULLES

DC/R
Mail 2

Dist. Desired

Officer Quick

Drafted by: NEA:NE:TRFrye:drj 2/23/54

Telegraphic transmission and classification approved by: NE - Mr. ~~[illegible]~~ Burdett

Clearances: Treasury - Mr. Sailor - in substance

S/S - CR
FEB 23 1954 P.M.

UNCLASSIFIED
Classification

REPRODUCTION FROM THIS COPY, IF CLASSIFIED, IS PROHIBITED.

DO/R Central Files

774.11/2-1154

CUC

(Security Classification)

FOREIGN SERVICE DESPATCH

774.11/2-1154
TR 811.13

FROM : EMBASSY, CAIRO — 1925 (DESP. NO.)

TO : THE DEPARTMENT OF STATE, WASHINGTON. — February 11, 1954 (DATE)

REF : Embdesps. 1857 dated Feb. 4 and 1916 dated Feb. 8, 1954

For Dept. Use Only	ACTION	DEPT.	
	NEA-4	INFO DC/R-2 OAI-6 E-4 L-2	CENTRAL FILES
	REC'D 2-15	OTHER CIA-7	

SUBJECT: REQUEST FOR RETURN OF COIN IN COLLECTION OF FORMER KING OF EGYPT.

774.11

According to an American coin dealer now in Cairo, the Egyptian Government allegedly intends to hold "in escrow" the $20 gold piece and to release it upon the receipt of the purchase price. The coin was, however, still on display in the showcase at Koubbeh Palace on February 10, 1954 at 5:00 p.m.

For the Ambassador

Basil F. Meggowan
American Consul

774.11/2-1154

FEB 12 1954

FILED
FEB 23 1954

BFMeggowan/jll [redacted]
REPORTER

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

(Security Classification)

774.11/2-2554

FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, CAIRO. DESP. NO. 2033

TO : THE DEPARTMENT OF STATE, WASHINGTON. DATE February 25, 1954

REF : DEPTEL 968, Feb. 23, 1954 and previous correspondence.

For Dept. Use Only	ACTION	DEPT.
	NEA-0	INFO DCR-2 OAI-6 L-2 E-4 P-1
	REC'D 3-1	OTHER CIA-5 TR-3

SUBJECT: RETURN OF COIN IN COLLECTION OF FORMER KING OF EGYPT.

It has now been definitely established, on the basis of reports received from two reliable eyewitnesses, that the twenty dollar gold piece has been withdrawn from the auction. The auctioneer, when putting up lot No. 185 on the auction block on February 24, 1954, is reported to have announced that the controversial twenty dollar gold piece, 1933 issue, was being withdrawn from the lot "at the request of the American Government". The balance of the lot was purchased by an American citizen who confirmed the withdrawal of the coin in question.

For the Ambassador

Basil F. Macgowan
American Consul

DEPARTMENT OF STATE
1954 MAR 1 PM 2 29
DC/R RECORDS BRANCH

FEB 26 1954

BFMacgowan/jll
REPORTER

UNCLASSIFIED

DC/R COLLECT FILES
MESSAGE CENTER
774.11/2-2554
FILED MAR 8 1954
WC

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

(Security Classification)

FOREIGN SERVICE DESPATCH

774.V11/2-1754
TR 811.13

FROM : EMBASSY, CAIRO. 1969 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. February 17, 1954 DATE

REF : Embdesp. 1925 of Feb. 11, 1954 and previous correspondence.

For Dept. Use Only	ACTION	DEPT.	
	Dep. 4	INFO	RE 2 021-6 E-4 L-2
	REC'D 2-23	OTHER	CLE-5 TR-3

Control Files

SUBJECT: REQUEST FOR RETURN OF COIN IN COLLECTION OF FORMER KING OF EGYPT.

According to an item which appeared in Al Ahram in its issue of February 17, 1954, President Mohamed Naguib has approved the withdrawal of "an American coin" from the auction and its return to the United States Government. However, no reply has, as yet, been received to the Embassy's Note No. 491 of February 3, 1954.

For the Ambassador

Basil F. Macgowan
American Consul

NEA MESSAGE CENTER
FEB 24 PM 2 23

RECEIVED
DEPARTMENT OF STATE
1954 FEB 23 PM 12 33
DC/R
RECORDS BRANCH

FEB 18 1954

FILED
MAR 8 1954

BFMacgowan/jll
REPORTER

UNCLASSIFIED

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

(Security Classification)

FOREIGN SERVICE DESPATCH

774.11/2-2654

FROM : AMEMBASSY, CAIRO. 2050 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON February 26, 1954 DATE

REF : Embdesp. 2033 dated Feb. 25, 1954.

For Dept. Use Only	ACTION REC'D 3/3	DEPT. NEA-P	INFO	OTHER CIA

SUBJECT: RETURN OF COIN IN COLLECTION OF FORMER KING OF EGYPT.

There is attached a copy of Note No. 11 dated February 25, 1954 from the Ministry of Foreign Affairs confirming that the twenty dollar gold piece, by order of the President of the Republic, would not be sold at auction "until a definitive decision shall have been reached on this subject".

For the Ambassador

Basil F. Macgowan
American Consul

Enclosure:
Copy of Note No. 11
dated Feb. 25, 1954.

RECEIVED
DEPARTMENT OF STATE
1954 MAR 3 AM 10 45
OC/R
RECORDS BRANCH

FEB 27 1954

FILED
MAR 8 1954

UNCLASSIFIED

RFMacgowan/jll
REPORTER

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

COPY

Ministère des Affaires Etrangeres,

Dept. Administratif

No. 11
Doss. No. 7160

Le Ministère des Affaires Etrangères présente ses compliments à l'Ambassades des Etats-Unis d'Amérique et se référant à ses note Nos. 422 et 491 en dates des 21 decembre 1953 et 3 Février 1954 concernant la demande du Gouvernement des Etats-Unis d'Amérique de la restitution de la pièce de monnaie d'or de 20 dollars se trouvant dans la collection des monnaies de l'ex-roi et exhibée à la vente aux enchères, a l'honneur de l'informer que par order de Monsieur le Président de la République la pièce susmentionnée ne sera pas mise en vente jusqu'à ce qu'une décision difinitive aura été prise à ce sujet.

Le Ministère des Affaires Etrangères ne manquera pas d'en faire part à l'Ambassade en temps opportun, et saisit cette occasion de lui renouveler les assurances de sa très haute considération.

Le Caire, le 25 Feb. 1954.

A L'AMBASSADES DES ETATS UNIS D'AMERIQUE,

LE CAIRE.

PRIORITY

UNCLASSIFIED
(Security Classification)

DO NOT TYPE IN THIS SPACE
774.11/3-3154

FOREIGN SERVICE DESPATCH

2312
DESP. NO.

FROM : AMEMBASSY, CAIRO

TO : THE DEPARTMENT OF STATE, WASHINGTON.

March 31, 1954
DATE

REF : Embdesp. 2050 dated Feb. 26, 1954 & previous correspondence.

For Dept. Use Only	ACTION	DEPT.
	NEA-7	DCR-2 OCI-6 L-2
	REC'D 4-5	INFO OTHER C/A-7 TR-3

SUBJECT: RETURN OF COIN. IN COLLECTION OF FORMER KING OF EGYPT.

DC/R Central Files

774.11

The Embassy has been in constant touch with Dmitri Rizk Hanna, Acting Director of the Administrative Department of the Ministry of Foreign Affairs, on the subject of the return of the $20 gold coin but so far has been unable to obtain any information other than that the matter is under consideration. Mr. Rizk Hanna notified the reporting officer today that he hoped to have some information within two or three days.

For the Ambassador

Basil F. Macgowan
American Consul

774.11/3-3154

The Bureau of Near E. Affairs informed 4-6-54

APR 1 1954

BFMacgowan/eis
REPORTER

UNCLASSIFIED

WC

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

89TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT No. 509

COINAGE ACT OF 1965

JUNE 11, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PATMAN, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H.R. 8926]

The Committee on Banking and Currency, to whom was referred the bill (H.R. 8926) to provide for the coinage of the United States, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows (references to page and line numbers refer to the introduced bill, and references to section numbers refer to both the introduced bill and the reported bill):

Page 2 (sec. 101(a)(1)), strike lines 5 through 9, inclusive, and insert—

> (B) a cladding of an alloy of 75 per centum copper and 25 per centum nickel; and
>
> (C) a core of copper such that the weight of the whole coin is 11.34 grams.

Page 2 (sec. 101(b)), strike lines 22 through 25, inclusive, and insert—

> (b) Half dollars, quarter dollars, and dimes may be minted from 900 fine coin silver only until such date as the Secretary of the Treasury determines that adequate supplies of the coins authorized by this Act are available, and in no event later than 5 years after the date of enactment of this Act.

Page 2 (sec. 101), after line 25, insert—

> (c) No standard silver dollars may be minted during the 5-year period which begins on the date of enactment of this Act.

35-006—65——1

Page 6, line 21 (sec. 204(a)), strike "Coins" and insert—

Any coins minted after the enactment of the Coinage Act of 1965 from 900 fine coin silver shall be inscribed with the year 1964. All other coins

Page 7, line 2 (sec. 204(a)), insert immediately before the period—

, except that coins produced under authority of sections 101(a)(1), 101(a)(2), and 101(a)(3) of the Coinage Act of 1965 shall not be dated earlier than 1965

Page 7, line 2 (sec. 204(a)), insert after the period and before the quotation marks—

No mint mark may be inscribed on any coins during the 5-year period beginning on the date of enactment of the Coinage Act of 1965, except that coins struck at the Denver mint as authorized by law prior to such date may continue to be inscribed with that mint mark.

Page 8, line 1 (sec. 206(b)), strike "profit" and insert "metal".

Page 10, line 8 (sec. 301), immediately before the semicolon insert—

, and two Members of the Senate, not members of such Committee, to be appointed by the President of the Senate

Page 10, line 10 (sec. 301), immediately before the semicolon insert—

, and two Members of the House of Representatives, not members of such Committee, to be appointed by the Speaker

Page 10 (sec. 301), beginning in line 10, strike—

one Member of the House of Representatives to be appointed by the Speaker; one Member of the Senate to be appointed by the President of the Senate;

Purpose of the Bill

H.R. 8926 is intended to conserve this Nation's rapidly dwindling supply of silver—a metal essential to defense needs, to industry and the arts. Under our coinage laws going back to 1792, silver has been the major ingredient of our coinage alloys for all but the minor coins. At the present rate of silver consumption in the United States, chiefly for coinage, this Nation will run out of silver within 2 or 3 years.

H.R. 8926 as approved by your committee would eliminate the use of silver in all denominations of coins except the silver dollar (which is not now being minted and which would not be minted for at least 5 more years under the terms of this bill).

The bill would authorize minting of a new type of coin—a clad or "sandwich" coin consisting of a copper core between layers of cupro-nickel (75 percent copper and 25 percent nickel) to replace the present dime, quarter, and half dollar (which consist of an alloy of 90 percent silver and 10 percent copper). The new coins will be of such size and weight and electrical resistivity as to be compatible with silver coins in the rejector mechanisms of existing vending machines and other coin-operated devices.

The Transitional Period

To assure a smooth and rapid transition from the present silver coinage to the proposed new system of clad coins containing no silver, the bill (1) permits for 5 years the continued production, if necessary, of 900 fine silver coins; (2) establishes standby authority to prohibit, curtail, or regulate the exportation, melting, or treating of any coin of the United States; (3) temporarily assigns powers to the Secretary of the Treasury to enter into contracts for the procurement of materials and technical information, without regard to any other provisions of law governing procurement or public contracts, in connection with the production of the unprecedented new clad coins; (4) discourages the hoarding of coins for their silver content by continuing the powers of the Treasury to prevent the market price of silver in the United States from exceeding silver's monetary value; and (5) reduces the quantity of new coins which the Nation's 10 million coin hobbyists would want or need in order to have complete sets for their private collections, by eliminating all mint marks on the clad coins for at least 5 years.

Satisfactory for Coin-Operated Machines

The new coins would be similar in design to the present coins of the same denominations. They will be legal tender for all debts, public and private. The Secretary of the Treasury has testified that in his judgment the proposed coins will meet the test of public acceptability as a medium of exchange, that they can be efficiently and rapidly manufactured by the mints from available materials, and that their electrical properties are such that they will work in existing merchandising machines. No change will be made in the nickel or the penny, since neither of these coins contains silver.

Mining Industry Protected

An important provision of the legislation would protect the domestic silver mining industry against any precipitous decline in silver prices resulting from termination of the traditional use of the metal in coins by establishing a minimum price of $1.25 per troy ounce at which the Treasury will purchase recently mined silver from domestic producers. However, the monetary value of silver would continue to be $1.29+ (actually $1.292929292) per fine troy ounce, which it has been ever since 1792. Outstanding silver certificates (of which there are approximately $935 million worth still in circulation) will continue to be redeemable at that value. Moreover, the Secretary of the Treasury would retain the power to sell at its monetary value any silver of the United States in excess of that required to be held as reserves against outstanding silver certificates.

Scarcity Compels Action

President Lyndon B. Johnson, in a message to Congress on June 3, 1965, recommending prompt action along the broad lines of this bill to prevent a crisis in our silver supply, said: "Silver is becoming too scarce for continued large-scale use in coins." While the President proposed the maintenance of some silver in the half dollar, at a ratio of 40 percent silver to 60 percent copper, your committee recommends

that all three denominations of the new coins be made of the same metallic composition, using no silver. This step would conserve an estimated additional 15 million troy ounces of silver per year, over and above the estimated 285 million ounces to be saved per year at current rates of coinage by eliminating silver from dimes and quarters and reducing the silver content of half dollars from 90 to 40 percent. Except for this change, the bill as reported substantially conforms to the draft of legislation submitted by the President.

Among steps taken in the legislation to expedite the changeover to the new coins with a minimum of disruption are the following: the San Francisco assay office, which was deactivated as a mint in 1955 at a time when coin demand was only a fraction of present needs, would be reactivated for the production of coins until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins; the appropriation of an additional $15 million is authorized for the expansion of mint facilities, particularly at the new mint to be constructed in Philadelphia, where changes in design will be necessary in order to cope with the metallurgical and other technical problems resulting from the use of the new clad material; new coins, of course, will be protected by all laws applying to counterfeiting, use of slugs, etc.

Joint Commission on the Coinage

H.R. 8926 establishes a Joint Commission on the Coinage consisting of the Secretary of the Treasury, as Chairman; the Secretary of Commerce, the Director of the Bureau of the Budget, the Director of the Mint, the chairman and ranking minority member of the House and Senate Banking and Currency Committees, two additional Members each from the House and the Senate not serving on the Banking and Currency Committee, and four public members to be appointed by the President, "none of whom shall be associated or identified with or representative of any industry, group, business, or association directly interested as such in the composition, characteristics, or production of the coinage of the United States."

The role of this Commission will be an important one in helping to determine the future policy of the United States on coinage and the use of silver therein. It will study the progress made in the implementation of the coinage program established by this legislation; and review the needs of the economy for coins; technical developments in metallurgy and coin-selector devices, the availability of various metals, the eventual resumption of minting of the silver dollar, the time and circumstances under which the United States should cease to maintain the price of silver, "and other considerations relevant to the maintenance of an adequate and stable coinage system."

The Commission will advise the President, the Congress, and the Secretary of the Treasury on the results of its studies. Because of the importance of the work of this Commission and the influence its recommendations will carry, it is the opinion of your committee that while the use of alternates undoubtedly will be necessary from time to time in the conduct of the meetings of the Joint Commission, the Commission should not attempt to transact business without at least a quorum consisting of principal appointees.

Background of the Legislation

Since World War II, and particularly since 1958, there has been a widening gap between free world silver consumption and production. The expansion of silver production has been relatively sluggish, while consumption has been rapidly increasing. Since 1958, world consumption of silver has more than doubled while production has increased less than 15 percent. The result has been increasingly large annual deficits between production and consumption. The extent to which this deficit has been expanding is reflected in table 1.

TABLE 1.—*Estimated free world silver consumption and production, 1949–64*

[In millions of fine troy ounces]

	Industry and the arts (1)	U.S.A.	Coinage demand, foreign (2)	Total	Total consumption (3)	New production (4)	Indicated deficit (−) (5)	Deficit excluding all coinage demand (−) (6)
1949–53 average	153.1	36.5	48.2	84.7	237.8	173.9	−63.9	20.8
1953–57 average	190.1	37.5	36.0	73.5	263.6	191.0	−72.6	.9
1958	190.5	38.2	41.3	79.5	270.0	205.8	−64.2	15.3
1959	212.9	41.4	45.0	86.4	299.3	188.4	−110.9	−24.5
1960	224.6	46.0	57.9	103.9	328.5	206.9	−121.6	−17.7
1961	239.5	55.9	81.2	137.1	376.6	203.0	−173.6	−36.5
1962	247.8	77.4	50.2	127.6	375.4	206.9	−168.5	−40.9
1963	252.2	111.5	55.5	167.0	419.2	213.8	−205.4	−38.4
1964	285.9	203.0	61.5	264.5	550.4	215.5	−334.9	−70.4

Source: Cols. (1) and (2) are from Handy and Harman, Annual Reviews. Col. (4) is derived from the world totals published in the Annual Reports of the Director of the Mint and compiled by the Bureau of Mines. Production for the following countries has been subtracted from the world totals: Czechoslovakia, East Germany, Hungary, Rumania, Poland, U.S.S.R., China, and North Korea. The world production estimate for 1963 is from the Bureau of Mines, Mineral Industry Surveys, Aug. 21, 1964; and that for 1964 is from Handy and Harman, Annual Review, 1964, adjusted on the basis of the 1958–63 relationship between the Handy and Harman and Bureau of Mines estimates.

The tremendous expansion in the demand for silver coupled with the relatively static supply, and the importance of silver in industrial processes, such as photography, where no satisfactory substitute exists, have been responsible for a dramatic increase in the market price of silver over a period of only 4 years. Prior to 1962, the New York price of silver bullion had not reached or exceeded a dollar per fine troy ounce in more than 40 years. It was relatively stable in price from 1951 through most of 1961 in the neighborhood of 91 cents an ounce. Since late 1961 it has risen sharply to the monetary value of silver as used in the standard silver dollar.[1]

The price of silver has been held at $1.29 because the Treasury Department stands ready to redeem outstanding silver certificates at the monetary value of silver. The effect is that the Treasury Department has become the residual supplier to the market of the silver needed to make up the difference between consumption and production.

COINAGE NEEDS INCREASE

At the same time the needs of the U.S. economy for coinage have been rapidly increasing to that steadily larger amounts of silver have been consumed in coinage. Thus, from an annual average during the

[1] This value is derived from dividing 480, the number of grains in a troy ounce, by 371.25, the number of grains of silver contained in the standard silver dollar.

years 1958–60 of about 42 million fine troy ounces of silver used for coinage, there was an increase to 203 million fine troy ounces in 1964. The current rate is 300 million ounces a year.

With the Treasury Department acting as residual supplier to the market and using increasing amounts of silver in coinage, Treasury silver stocks have declined from 2,106 million fine troy ounces at the end of 1958 to 1,218 million fine troy ounces at the end of 1964. (See table 2.) A recent Daily Statement of the U.S. Treasury should silver stocks down to 1,000,064,173 ounces.

TABLE 2.—*Analysis of changes in U.S. Treasury silver stocks since 1958*

[In millions of fine troy ounces]

	Silver used in coinage	Bullion exchanged for silver certificates	Old silver dollars paid out	Other[1] causes of change	Total change in silver stocks	Silver stock at end of period[2]	Memorandum: Bullion equivalent of silver certificates[3] end of period		
							In circulation	Held by Federal Reserve banks and agents	Total
1958	−38.2	.....	−12.7	+142.8	+91.9	2,106.2	1,683.5	188.3	1,871.8
1959	−41.4	.....	−15.7	+10.8	−46.3	2,059.9	1,651.1	209.3	1,860.4
1960	−46.0	.....	−16.2	−5.5	−67.7	1,992.2	1,632.0	215.9	1,847.9
1961	−55.9	.....	−23.8	−49.8	−129.5	1,862.7	1,616.3	191.2	1,807.5
1962	−77.4	.....	−27.4	+10.4	−94.4	1,768.3	1,536.0	177.5	1,713.5
1963	−111.5	−19.0	−51.5	−2.0	−184.0	1,584.3	1,440.4	105.4	1,545.8
1964:									
January	−9.8	−3.5	−1.0	+3.1	−11.2	1,573.1	1,331.8	192.4	1,524.2
February	−11.3	−2.2	−.3	+1.2	−14.6	1,558.5	1,317.4	175.0	1,492.4
March	−15.3	−3.9	−16.5	+1.9	−33.8	1,524.7	1,326.4	153.1	1,479.5
April	−16.4	−8.0	.....	−.8	−25.2	1,499.5	1,314.1	112.5	1,426.6
May	−16.2	−3.4	.....	+1.4	−18.2	1,481.3	1,317.6	100.2	1,417.8
June	−11.5	−8.2	.....	−11.8	−31.5	1,449.8	1,321.1	80.3	1,401.4
July	−11.4	−3.4	.....	+3.0	−11.8	1,438.0	1,271.4	92.7	1,364.1
August	−18.9	−5.1	.....	+.1	−23.9	1,414.1	1,245.3	100.0	1,345.3
September	−20.3	−21.4	.....	+3.7	−38.0	1,376.1	1,205.4	96.4	1,301.8
October	−22.3	−44.1	.....	−2.5	−68.9	1,307.2	1,117.5	88.3	1,205.8
November	−23.7	−20.5	.....	−1.9	−46.1	1,261.1	1,049.6	66.5	1,116.1
December	−26.0	−17.6	.....	+.5	−43.1	1,218.0	952.3	82.1	1,034.4
1964	−203.0	−141.4	−19.8	−2.1	−366.3	1,218.0	952.3	82.1	1,034.4
1965:									
January	−26.1	−11.2	.....	+.2	−37.1	1,180.9	866.6	103.3	969.8
February	−22.5	−8.7	.....	+2.6	−28.6	1,152.3	817.0	88.7	905.7
March	−25.3	−7.3	.....	−3.0	−35.6	1,116.7	736.9	68.5	832.4
April	−27.3	−12.4	.....	−.4	−40.1	1,076.6	.....	.....	.....

[1] Includes purchases, lend-lease returns, net sales and transfers to Government agencies, sales to industry during 1959–61, variation in the amount of subsidiary coin and bullion held in the Treasurer's general account, and a residual discrepancy arising from the fact that coinage and bullion exchanges are shown here on a mint accounting basis while the total change in silver stocks is shown on the more widely available Daily Statement basis.

[2] As shown in the Daily Statement. The total includes approximately 64,800,000 ounces held by certain agencies of the Federal Government.

[3] Issued after June 30, 1929.

Source: Treasury Daily Statements, Circulation Statements, and unpublished material.

PRESENT POLICIES MUST BE ALTERED

A projection of these figures clearly demonstrates that the United States cannot continue its profligate use of so precious a metal for coinage when suitable substitute materials are now available for this purpose. From studies made by the Department of the Interior, as well as by the silver-producing industry itself, it is evident that new sources of silver could not be developed quickly enough, if at all, to meet the long-range needs of the free world for silver for industrial uses and also make possible the continued coinage of 0.900 fine silver coins by the United States at present levels of coin production.

Steps Already Taken

Most free world countries have already eliminated silver from their coinage. Those which continue to mint silver coins include in their coinage system only one or two such coins of varying degrees of fineness. The impending crisis in silver supply was becoming evident when the Committee on Banking and Currency in 1963 initiated action on legislation to repeal the Silver Purchase Act, and to authorize the issuance of $1 and $2 Federal Reserve notes as eventual replacements for silver certificates in the currency supply. This action freed hundreds of millions of ounces of silver for coinage, and made possible the dramatic expansion of mint production in the past year.

Studies Made

In the meantime, the Bureau of the Mint entered into a contract with the Battelle Memorial Institute, of Columbus, Ohio, to make a study of silver supplies and of materials which could be used as alternates or replacements for the 90-percent silver coinage of the United States. The institute studied a wide variety of metals and alloys considered possible candidates for replacement of silver or to be used in combination with silver in coinage.

These materials were evaluated on the bases of availability and price; public acceptability; physical, chemical, and mechanical properties; effect on coin-operated devices; effect on mint operations; and counterfeiting, illegal duplication, and slugging potential. Among the metals and alloys considered and evaluated were aluminum, bismuth, cadmium, cobalt, chromium, columbium, copper, gold, hafnium, indium, iridium, iron, lead, manganese, mercury, molybdenum, magnesium, nickel, osmium, palladium, platinum, rhenium, rhodium, ruthenium, silver, tantalum, titanium, tungsten, uranium, vanadium, zinc, and zirconium.

Each of these materials, either by itself or in combination with other metals, was found to present problems of varying degree of seriousness as a substitute for silver. The best solution put forward by the Battelle Memorial Institute was a "clad" or sandwichlike combination consisting of a core of copper and an outer layer of cupronickel. The institute added, however, that if production of such a coin was not feasible "for unforeseen reasons" the 75 copper-25 nickel alloy used in the 5-cent coin was recommended. It added:

> If the retention of silver because of tradition and prestige does not compromise any of the other objectives, it is recommended that either of two options be chosen. One is to use silver in the 50-cent piece only, by making a multilayer composite consisting of 80 silver-20 copper on the outside, and a low silver-copper alloy in the core. The other option is to spread the silver evenly throughout all subsidiary denominations by making a composite consisting of the 40 silver-50 copper-5 nickel-5 zinc alloy on a silver-bearing copper alloy core. It is further recommended that the silver-containing coins, if adopted, be changed to the 75 copper-25 nickel on a copper core on July 1, 1975, or at such time as the Treasury stock of silver reaches a predetermined minimum.

The final report of the Battelle Memorial Institute was made to the Treasury on February 12, 1965, but was not made public until released by President Johnson in sending his silver coinage message to Congress on June 3. The Treasury Department used the Battelle report to supplement its own studies into the feasibility and desirability of changes in our coinage and the policy problems inherent in such a change.

Conclusions and Recommendations of Treasury Staff Study

The comprehensive Treasury report released by the President on June 3, "A Treasury Staff Study of Silver and Coinage," reached the following conclusions and recommendations:

1. Cupronickel is the best permanent material for a new subsidiary coinage, ignoring the vending machine problem. A close second choice would be nickel silver for 10-, 25-, and 50-cent pieces.

2. Either cupronickel or nickel silver coins would require "factory" adjustment of sophisticated vending machine rejectors, entailing significant costs and transitional inconvenience. This may not be adjudged intolerable, in view of their advantages in other respects. However, since extensive experiments confirm that cupronickel (and probably nickel silver) clad on a copper core operates successfully in unaltered vending machine rejectors, preferable options are available. A clad coin can be used during a transition period, or permanently.

3. Information on the wear properties of clad coins is altogether encouraging, and they undoubtedly meet all the requirements for permanent use in the coinage. If desired, they could, with equal facility, serve as a transitional coin while further study and research on the adaptation of vending machines was being conducted. An overriding requirement with clad coins is the production feasibility of the strip and the assurance of an adequate supply for processing in the mint.

4. Because of a number of unresolved questions, the Inco coin comes into the picture only if an assured supply of clad strip cannot be obtained. In any event, the Inco coin would have to have demonstrated conclusively that it would work vending machines with minimal adjustments, that it could be struck successfully in large volume on existing mint equipment, and that adequate supplies of strip or annealed blanks would be available.

5. Subsidiary silver coinage of reduced content, such as silver-copper alloys clad on a low-content silver-copper core, suffers both from difficult transitional problems and incomplete assurance that the subsidiary coinage would not be imperiled again within a fairly short period of time. The danger of a complete breakdown during the transition period cannot be ruled out, and the use of silver throughout the subsidiary coinage should not be viewed as an eligible option. If any silver is to be retained in the subsidiary coinage system, it should be limited to the silver dollar and to

a clad 50-cent piece of 400 fineness. In any event, the retention of the monetary value of the silver dollar at its present fineness is absolutely essential to a successful transition.

6. During the transition to a new coinage system, it will be obligatory to hold the market price of silver at its current level in order to protect the existing coinage. Since this will remove the incentive to melt the existing coinage, controls over melting would probably not serve any useful purpose. Effective controls on the hoarding of coin appear impractical. Controls on the export of silver coin and bullion may serve a useful purpose during the transition period. There is something to be said for having standby authority to invoke controls. A prompt transition to base-alloy coinage would make the actual use of controls unnecessary.

7. New coins should be placed in circulation through normal channels. Every effort should be made as soon as possible to prepare for extremely high rates of production of the new coins. This should include an interim expansion in the production of 5-cent pieces (which would provide substitutes for silver coin and subsequently release mint capacity for the new coins) and arrangements for additional temporary production space. If this were to be outside of existing mint facilities, it should remain under mint control.

Transition to the New Coinage

It is of critical importance to the public and to the economy that there be a smooth transition from our present coinage system to the new system over a period of time with there being available at all times and adequate supply of coins. To this end, it is important that there be no incentive for the withdrawal from circulation of the existing subsidiary silver coins nor of the new ones.

Use of Standby Authority Doubted

The standby authority granted in section 105 of the bill to the Secretary of the Treasury to prohibit, curtail, or regulate the exportation, melting, or treating of coins could be used by the Secretary whenever in his judgment it became necessary to do so in order to protect the coinage. In the judgment of the Secretary of the Treasury it is doubtful that this authority will have to be invoked. However, if due to unforeseen happenings the exporting or melting of coins for their silver content should begin to constitute a serious problem, the Secretary of the Treasury by invoking the authority granted to him by this legislation would be able to impose such restrictions as might be necessary to stop these practices. Violations of regulations issued by the Secretary of the Treasury under this authority would be punishable by fines of up to $10,000 or imprisonment for not more than 5 years, or both. In addition, any violation of the Secretary's regulations would render the coins or metal involved subject to forfeiture to the United States.

Mint Marks Eliminated

In order to prevent the withdrawal of the new coins from circulation on a large scale for collecting purposes, the proposed legislation eliminates the mint mark from the new coins and also provides for dating of the coins in such manner that collector requirements will be held to a minimum, at least at first. The Secretary of the Treasury has assured your committee that none of the new coins will be placed in circulation until there is a sufficient quantity of such coins to assure that they will not be diverted from circulation as novelties. The fact that the new coins will closely resemble existing silver coins is likely to discourage their withdrawal also.

Temporary Special Procurement Authority

The bill contains a number of provisions designed to facilitate the rapid expansion of production of the new coins so that there can be no doubt of the ability of the Government to supply to the economy all the coins necessary. Under section 103, the Secretary of the Treasury is granted for a period of 5 years authority to enter into procurement contracts upon such terms and conditions as he may deem appropriate and in the public interest, and without regard to other provisions of law governing procurement or public contracts. He may use this authority to acquire equipment, manufacturing facilities, patents, patent rights, technical knowledge and assistance, metallic strip, and other materials necessary to produce rapidly the new coins.

Additional Mint Authority

In order to make available the necessary funds for the acquisition of the materials needed and for the establishment of the necessary additional mint facilities, the Secretary of the Treasury would be authorized to use the coinage metal fund for the purchase of metal for coinage, and there would be authorized to be appropriated an additional $15 million to be used for the establishment of additional mint facilities. In connection with the proposed use of the U.S. assay office in San Francisco for coinage there would be granted continuing authority for this office to refine gold and silver.

Committee Consideration

The committee conducted hearings on this legislation on June 4, 7, and 8. It heard the Secretary of the Treasury, Assistant Secretary of the Treasury, the Director of the Mint, and their chief aids on coinage issues and problems. The Secretary appeared on two separate occasions and made himself available for extensive questioning, orally and in writing, by all of the members of the committee. Other witnesses who were heard testified on behalf of the silver-producing interests, on the one hand, and of the industries which use very substantial quantities of silver, on the other.

There was a consensus on the need for a change in our coinage laws to discontinue the production of 900 fine silver coins. The major controversy in the hearings revolved around the issue of the degree of silver to be used in the new coins—whether there should be none, as urged by the representatives of the consuming industries; whether

the only silver used in coinage should be for a silver-clad half dollar containing 40-percent silver, as proposed by the Treasury and the President; or whether the dime, quarter, and half dollar should all contain a silver cladding, as urged by the representatives of the silver mining industry. Aside from this controversy, the bill as presented reflects general acceptance of the necessity to carry out the recommendations of the President to change our coinage "to meet new and growing needs."

The hearings of the Committee on Banking and Currency and the technical data submitted to the committee establish beyond doubt that the new coins proposed in the legislation will cause no disruption to the vending machine industry or to any other industry dependent upon adequate supplies of U.S. coinage.

Explanation of Amendments to Existing Law

Section 201

Section 3558 of the Revised Statutes (31 U.S.C. 283) as now in effect provides that the business of the U.S. assay office at San Francisco shall be in all respects similar to that of the assay office at New York, except that no gold or silver shall be refined. The bill would repeal that exception, and would also permit temporary coinage operations at San Francisco until the Secretary of the Treasury determines that the mints are adequate for the production of coins.

Section 202

The act of August 20, 1963, provided for the expansion of the facilities of the Bureau of the Mint. Section 4 of that act authorized the appropriation of $30 million for that purpose, and section 202 of the bill would raise the authorization to $45 million.

Section 203

Section 3 of the act of December 18, 1942 (31 U.S.C. 317c), confers on the Secretary of the Treasury authority to melt down worn and uncurrent minor coin and to use the resulting metal for coinage or to sell it. Minor coins are nickels and pennies. The bill would make this authority applicable to all coin of the United States.

Section 9 of the act of March 14, 1900 (31 U.S.C. 320), requires the recoinage of all worn and uncurrent halves, quarters, and dimes. The bill repeals this section.

Section 204

The dates and other inscriptions to appear on coins are now governed by section 3517 of the Revised Statutes (31 U.S.C. 324), the act of July 11, 1955 (31 U.S.C. 324a), and the act of September 3, 1964 (31 U.S.C. 324 note). The bill consolidates the provisions of all three of these sections, insofar as they pertain to coins, into section 3517 of the Revised Statutes. The introduced bill would make permanent law the authority of the Secretary under the act of September 3, 1964, to continue using the same date while coins are in short supply, and authorizes him to use that authority in any future emergency which may occur. The committee amendments to this part of the introduced bill require that all coins made from the traditional coin silver be inscribed with the year 1964, and that the newly authorized coins be inscribed with 1965 or subsequent years. The committee amendment would also prohibit the use of mint marks except to the

extent that they were already in use at the Denver Mint on the date of enactment.

Section 205

Section 3526 of the Revised Statutes (31 U.S.C. 335) authorizes the maintenance of the bullion fund. The bill amends this section to permit purchases of newly mined domestic silver pursuant to section 104 of the bill to be made from the bullion fund.

Section 206

Section 3528 of the Revised Statutes authorizes the creation of the minor coinage metal fund. The bill redesignates this as the coinage metal fund, and authorizes its use for the purchase of metal for any coins. The bill also removes the ceiling on the amount of this fund, as it has never served any useful purpose and, if retained, it would render existing mint accounting procedures unworkable in dealing with the expected volume of the new coinage.

This section of the Revised Statutes considerably antedates existing general law governing procurement and public contracts, and, as now in effect, contains coinage metal procurement provisions that are no longer needed to protect the interests of the Government. These provisions are repealed by the bill, so that when the Secretary's temporary authority under section 103(b) of the bill expires, procurement of metal for coinage will be governed by the same provisions of law that control Government procurement generally.

Section 207

This section repeals obsolete fixed wastage limitations for various mint operations prescribed under section 3542 of the Revised Statutes (31 U.S.C. 355) and directs that limitations be administratively established, thus permitting periodic adjustment in the light of experience and technological developments.

Section 208

This section repeals section 3550 of the Revised Statutes (31 U.S.C. 366), which requires annual destruction of obverse working dies at the mints.

Section 209

This section amends section 2 of the act of June 4, 1963 (31 U.S.C. 405a–1). The amendment establishes an express statutory reference for the monetary value of silver and permits the Secretary of the Treasury to sell silver at prices not less than that figure ($1.292929292 per fine troy ounce). The practical effect of existing law is the same except that the minimum price provision does not apply in the case of sales to other departments of the Government.

Section 210

Section 102, in title I of the bill, makes all coins and currencies of the United States legal tender. Section 210 of the bill therefore repeals the last sentence of section 43(b)(1) of the act of May 12, 1933 (31 U.S.C. 462), which is to the same effect, in order to avoid raising any possible implication that section 102 of the bill is anything more than a restatement of existing law.

Section 211

Section 485 of title 18 of the United States Code makes it a felony to counterfeit silver coins. Section 211 of the bill amends it to cover coins of any denomination in excess of 5 cents, thus covering coins of the same denominations as existing law, but describing them in terms which make their composition irrelevant.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 3558 OF THE REVISED STATUTES (31 U.S.C. 283)

SEC. 3558. The business of the United States assay office [at] *in* San Francisco shall be in all respects similar to that of the assay office [at New York, except that no gold or silver shall be refined] *of New York except that until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins, its facilities may be used for the production of coins.* The Officer in Charge shall be allowed the amount of necessary and bona fide wastage as determined by the Secretary of the Treasury but not to exceed that provided for the melter and refiner in section 3542 of this title, for wastage incurred in the casting of fine gold and silver bars. Such wastage allowance shall not apply to deposit operations.

SECTION 4 OF THE ACT OF AUGUST 20, 1963 (PUBLIC LAW 88-102; 31 U.S.C. 294)

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each fiscal year which begins after June 30, 1963, and ends before July 1, 1973, such sums as may be necessary to carry out this Act, except that the aggregate of sums appropriated under this section shall not exceed [$30,000,000] *$45,000,000.* Sums appropriated to the Department of the Treasury for the purposes of this Act may be available for transfer to the Administrator of General Services to remain available until expended.

SECTION 3 OF THE ACT OF DECEMBER 18, 1942 (56 STAT. 1065; 31 U.S.C. 317c)

SEC. 3. The Secretary of the Treasury ~~shall cause all worn~~ and uncurrent [minor] coin of the United States, heretofore or hereafter issued, received in the Treasury, to be melted down, the resulting metal and material to be used for coinage or sold, which sale is hereby authorized. Such coin (including any metal and material derived therefrom), and any loss resulting from the difference between the nominal or face value of such coin and the amount the same will produce in new coin, and any loss resulting from the sale of the

metal or other material, shall be accounted for by entries in the fund established for the purchase of metal for [minor] coinage and said fund shall be reimbursed out of the special fund denominated the [minor] coinage profit fund: *Provided*, That the value of any coin (including any metal and material derived therefrom) accounted for as provided herein shall not be considered for the purpose of determining the statutory limit of the fund established for the purchase of metal for [minor] coinage. The proceeds from any sale pursuant to this section shall be accounted for by entries in the fund established for the purchase of metal for [minor] coinage.

SECTION 9 OF THE ACT OF MARCH 14, 1900 (31 STAT. 48; 31 U.S.C. 320)

[SEC. 9. That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.]

SECTION 3517 OF THE REVISED STATUTES (31 U.S.C. 324)

[SEC. 3517. Upon the coins there shall be the following devices and legends: Upon one side there shall be an impression emblematic of liberty, with an inscription of the word "Liberty" and the year of the coinage, and upon the reverse shall be the figure or representation of an eagle, with the inscriptions "United States of America" and "E Pluribus Unum," and a designation of the value of the coin; but on the gold dollar and three-dollar piece, the dime, five, three, and one cent piece, the figure of the eagle shall be omitted; and on the reverse of the silver trade-dollar the weight and the fineness of the coin shall be inscribed.]

SEC. 3517. Upon one side of all coins of the United States there shall be an impression emblematic of liberty, with an inscription of the word "Liberty", and upon the reverse side shall be the figure or representation of an eagle, with the inscriptions "United States of America" and "E Pluribus Unum" and a designation of the value of the coin; but on the dime, 5-, and 1-cent piece, the figure of the eagle shall be omitted. The motto "In God we trust" shall be inscribed on all coins. Any coins minted after the enactment of the Coinage Act of 1965 from 900 fine coin silver shall be inscribed with the year 1964. All other coins shall be inscribed with the year of the coinage or issuance unless the Secretary of the Treasury, in order to prevent or alleviate a shortage of coins of any denomination, directs that coins of that denomination continue to be inscribed with the last preceding year inscribed on coins of that denomination, except that coins produced under authority of sections 101(a)(1), 101(a)(2), and 101(a)(3) of the Coinage Act of 1965 shall not be dated earlier than 1965. No mint mark may be inscribed on any coins during the 5-year period beginning on the date of enactment of the Coinage Act of 1965, except that coins struck at the Denver mint as authorized by law prior to such date may continue to be inscribed with that mint mark.

ACT OF SEPTEMBER 3, 1964 (PUBLIC LAW 88-580; 31 U.S.C. 324 NOTE)

[AN ACT

[To authorize the mint to inscribe the figure 1964 on all coins minted until adequate supplies of coins are available.

[*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, notwithstanding section 3517 of the Revised Statutes (31 U.S.C. 324), all coins minted from the date of enactment of this Act until July 1 or January 1, whichever date first occurs after the date on which the Secretary of the Treasury determines that adequate supplies of coins are available, shall be inscribed with the figure "1964" in lieu of the year of the coinage.

[SEC. 2. The requirement of section 3550 of the Revised Statutes (31 U.S.C. 366) that the obverse working dies at each mint shall be destroyed at the end of each calendar year shall not be applicable during the period provided for in section 1 of this Act.]

SECTION 3526 OF THE REVISED STATUTES (31 U.S.C. 335)

SEC. 3526. [In order to procure bullion for the silver coinage authorized by this title, other than the silver dollar, the superintendents, with the approval of the Director of the Mint, as to price, terms, and quantity, shall purchase such bullion with the bullion fund.] *In order to procure bullion for coinage or to carry out the purposes of section 104 of the Coinage Act of 1965, the Secretary of the Treasury may purchase silver bullion with the bullion fund.* The gain arising from the coinage of such silver bullion into coin of a nominal value exceeding the cost thereof shall be credited to a special fund denominated the silver-profit fund. This fund shall be charged with the cost of the alloy metal, with the wastage incurred in such coinage, with the recoinage loss on silver coins recoined pursuant to section 9 of the Act of March 14, 1900 (31 Stat. 48), as amended, and with the cost of distributing silver coins. The balance remaining to the credit of this fund shall be from time to time, and at least twice a year, covered into the Treasury of the United States.

SECTION 3528 OF THE REVISED STATUTES (31 U.S.C. 340)

[SEC. 3528. For the purchase of metal for the minor coinage, authorized by this Act, a sum not exceeding $3,000,000 in lawful money of the United States shall, upon the recommendation of the Director of the Mint and in such sums as he may designate, with the approval of the Secretary of the Treasury, be transferred to the credit of the superintendents of the mints at Philadelphia, San Francisco, and Denver, at which establishments, until otherwise provided by law, such coinage shall be carried on. The superintendents, with the approval of the Director of the Mint as to price, terms, and quantity shall purchase the metal required for such coinage by public advertisement, and the lowest and best bid shall be accepted, the

fineness of the metals to be determined on the mint assay. The gain arising from the coinage of such metals into coin of a nominal value, exceeding the cost thereof, shall be credited to the special fund denominated the minor coinage profit fund; and this fund shall be charged with the wastage incurred in such coinage, and with the cost of distributing said coins, as hereinafter provided. The balance remaining to the credit of this fund, and any balance of the profits accrued from minor coinage under former Acts, shall be, from time to time, and at least twice a year, covered into the Treasury of the United States.]

Sec. 3528. The Secretary of the Treasury may use the coinage metal fund for the purchase of metal for coinage. The gain arising from the coinage of metals purchased out of such fund into coin of a nominal value exceeding the cost of such metals shall be credited to the coinage profit fund. The coinage profit fund shall be charged with the wastage incurred in such coinage, with the cost of distributing such coins, and with such sums as shall from time to time be transferred therefrom to the general fund of the Treasury.

Section 3542 of the Revised Statutes (31 U.S.C. 355)

Sec. 3542. When all the coins, clippings, and other bullion have been delivered to the superintendent, it shall be his duty to examine the accounts and statements rendered by the superintendent of coining department and the superintendent of melting and refining department.[1] The difference between the amount charged and credited to each officer shall be allowed as necessary wastage, if the superintendent shall be satisfied that there has been a bona fide waste of the precious metals, and if the amount shall not exceed [, in the case of the superintendent of melting and refining department,[1] one-thousandth of the whole amount of gold, and one and one-half thousandths of the whole amount of silver delivered to him since the last annual settlement, and in the case of the superintendent of coining department,[1] one-thousandth of the whole amount of silver, and one-half thousandth of the whole amount of gold that has been delivered to him by the superintendent] *such limitations as the Secretary shall establish.* All copper used in the alloy of gold and silver bullion shall be separately charged to the superintendent of melting and refining department,[1] and accounted for by him.

Section 3550 of the Revised Statutes (31 U.S.C. 366)

[Sec. 3550. The obverse working dies at each mint shall, at the end of each calendar year, be defaced and destroyed by the superintendent of coining department [1] in the presence of the superintendent and assayer.]

[1] The positions of melter and refiner and coiner were abolished by Act of August 23, 1912, and their duties and responsibilities transferred to the superintendent of the mint or assay office. The same section provided for the appointment of assistants and employees of the mints and assay offices by the Secretary of the Treasury. Pursuant to that authority, superintendents of the melting and refining and coining departments were appointed who are said to perform the duties of the former melter and refiner and coiner.

SECTION 2 OF THE ACT OF JUNE 4, 1963 (PUBLIC LAW 88-36; 31 U.S.C. 405a-1)

SEC. 2. The Secretary of the Treasury shall maintain the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates. [Unless the market price of silver exceeds its monetary value, the Secretary of the Treasury shall not dispose of any silver held or owned by the United States in excess of that required to be held as reserves against outstanding silver certificates, but any such excess silver may be sold to other departments and agencies of the Government or used for the coinage of standard silver dollars and subsidiary silver coins.] *The Secretary of the Treasury is authorized to use for coinage, or to sell on such terms and conditions as he may deem appropriate, at a price not less than the monetary value of $1.292929292 per fine troy ounce, any silver of the United States in excess of that required to be held as reserves against outstanding silver certificates.* Silver certificates shall be exchangeable on demand at the Treasury of the United States for silver dollars or, at the option of the Secretary of the Treasury, at such places as he may designate, for silver bullion of a monetary value equal to the face amount of the certificates.

THE LAST SENTENCE OF SECTION 43(b)(1) OF THE ACT OF MAY 12, 1933 (PUBLIC LAW 10, 73d CONGRESS; 31 U.S.C. 462)

[All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight.]

TITLE 18 OF THE UNITED STATES CODE

* * * * * * *

Chapter 25.—COUNTERFEITING AND FORGERY

Sec.

471. Obligations or securities of United States.
472. Uttering counterfeit obligations or securities.
473. Dealing in counterfeit obligations or securities.
474. Plates or stones for counterfeiting obligations or securities.
475. Imitating obligations or securities; advertisements.
476. Taking impressions of tools used for obligations or securities.
477. Possessing or selling impressions of tools used for obligations or securities.
478. Foreign obligations or securities.
479. Uttering counterfeit foreign obligations or securities.
480. Possessing counterfeit foreign obligations or securities.
481. Plates or stones for counterfeiting foreign obligations or securities.
482. Foreign bank notes.
483. Uttering counterfeit foreign bank notes.
484. Connecting parts of different notes.
485. [Gold or silver coins] *Coins* or bars.
486. Uttering coins of gold, silver or other metal.
487. Making or possessing counterfeit dies for coins.
488. Making or possessing counterfeit dies for foreign coins.

Sec.
489. Making or possessing likeness of coins.
490. Minor coins.
491. Tokens used as money or similar to coins.
492. Forfeiture of counterfeit paraphernalia.
493. Bonds and obligations of certain lending agencies.
494. Contractors' bonds, bids, and public records.
495. Contracts, deeds, and powers of attorney.
496. Customs entry certificates.
497. Letters patent.
498. Military or naval discharge certificates.
499. Military, naval, or official passes.
500. Money orders.
501. Postage stamps and postal cards.
502. Postage and revenue stamps of foreign governments.
503. Postmarking stamps.
504. Printing and filming of United States and foreign obligations and securities.
505. Seals of courts; signatures of judges or court officers.
506. Seals of departments or agencies.
507. Ship's papers.
508. Transportation requests of Government.
509. Possessing and making plates or stones for Government transportation requests.

* * * * * * *

§ 485. [GOLD OR SILVER COINS] *COINS* OR BARS

[Whoever falsely makes, forges, or counterfeits any coin or bars in resemblance or similitude of the gold or silver coins or bars coined or stamped at the mints and assay offices of the United States, or in resemblance or similitude of any foreign gold or silver coin current in the United States, or are in actual use and circulation as money within the United States; or

[Whoever passes, utters, publishes or sells, or attempts to pass, utter, publish, or sell, or bring into the United States, from any foreign place, knowing the same to be false, forged, or counterfeit, with intent to defraud any body politic or corporate, or any person, or possesses any such false, forged, or counterfeited coin or bars, knowing the same to be false, forged, or counterfeited, with intent to defraud any body politic or corporate, or any person—]

Whoever falsely makes, forges, or counterfeits any coin or bar in resemblance or similitude of any coin of a denomination higher than 5 cents or any gold or silver bar coined or stamped at any mint or assay office of the United States, or in resemblance or similitude of any foreign gold or silver coin current in the United States or in actual use and circulation as money within the United States; or

Whoever passes, utters, publishes, sells, possesses, or brings into the United States any false, forged, or counterfeit coin or bar, knowing the same to be false, forged, or counterfeit, with intent to defraud any body politic or corporate, or any person, or attempts the commission of any offense described in this paragraph—

Shall be fined not more than $5,000 or imprisoned not more than fifteen years, or both.

ADDITIONAL VIEWS OF REPRESENTATIVE COMPTON I. WHITE, JR.

One week and one day ago the Congress was informed of the long-awaited results of the Treasury staff study of silver and coinage. For years Members of Congress had recommended a comprehensive study of our silver and coinage situation, most of whom urged a reduction in the silver content of our coins. Increasing industrial uses, impeded production due to ceiling prices and dwindling Treasury stocks, indicated years ago that we must make a reduction in the grains and grams of silver in our coins. Various bills were introduced in both Houses of Congress, but we were told to wait for the results of the Treasury's study of the problem. We waited for years, and then we were asked to act within a matter of days. This committee has acted, but not entirely wisely. Unlike Gaul, I would like to divide these views into two parts: one dealing with the committee's departure from the President's request for reduced silver content half dollars, the other with the provision for base metal quarters and dimes.

Half Dollars

Administration's Position

The President's recommendation for a 400 fine silver 50-cent piece was reversed by the committee. The testimony of the Secretary of Treasury demonstrated the need for continuing the 173-year tradition of maintaining silver in our coins. Chairman Patman's bill provided for keeping a coin of intrinsic value in our monetary system. The committee amendment contradicting the advice of this Nation's leaders was ill advised, and not well considered. The action was due, I think, to three things: (*a*) An inaccurate estimate of our silver supplies; (*b*) a disbelief by some in the need for attractive coins of intrinsic value; and (*c*) the excessive greed of the silver consumers to obtain every last ounce of Treasury silver at the falsely low price of $1.29 per ounce. In order to refute these motivations, it is sufficient to study the testimony of the administration's witnesses, which is based on the lengthy study conducted by the U.S. Department of Treasury.

Sufficient Silver

It is evident from the figures supplied by the Treasury Department that the United States owns ample silver to meet the needs of the reduced silver content 50-cent pieces. In order to mint the number needed for this Nation's commerce, Secretary Fowler estimated that only 15 million ounces of silver per year would be required. That is merely 5 percent of the projected silver consumption for coinage this year. At this rate of production, the Secretary stated we could indefinitely mint silver halves; in other words, supply and demand for silver are not so drastically out of alinement, even with a ceiling price

on the metal, that this rate of consumption would have any significant effect on the total future of silver. It is important to note that no flowback of the present 90 percent silver coins is needed to indefinitely maintain this production of 40 percent silver half dollars.

Antihoarding Protection

The best argument advanced by the Treasury for the need of continuing silver in the half dollar is the protection it provides against the hoarding of our circulating coin. Assistant Secretary of the Treasury Wallace accurately pointed out that one type of hoarding, which he colorfully termed "grandfather-type hoarding" would be lessened by the continuance of silver in the 50-cent piece. The reasoning behind this is that our citizens would not want to set aside our present coins because of their silver content if we have newly minted silver coins coming out continually. The sentiment that we would have to set aside the "old coins" for our grandchildren to admire, would not exist, because we could obtain similar coins in everyday commerce.

President Kennedy's Image

Some witnesses expressed the opinion that silver 50-cent pieces would not circulate because they bear the image of our late President, John F. Kennedy. There are two reasons why this is not a valid conclusion. If another design were to be selected for the 50-cent piece, it would doubly become a collector's item, due to the design change and the new content. An even greater incentive would be created to hoard the millions of Kennedy halves already minted.

The second reason for the invalidity of the argument for increased hoarding of silver 50-cent pieces of the present design is that it makes no difference what metal is used. We all know that many of the Kennedy halves are held by our citizens, and citizens of other nations, because of their love for the assassinated President. The motive is the image; not the material upon which it is imprinted. If the late President's profile were placed on the easily distinguishable cupronickel sandwich coin, the incentive to hold it from the streams of commerce would be increased because of the novelty. Further, I do not think we should accept false arguments of expediency to place our beloved late President's image on what has been termed "the hamburger coin."

Joint Commission

In final argument for the President's and Chairman Patman's proposal for the continuance of silver in the half-dollar coins, I cite the safeguard that is built into this legislation. A Joint Commission on Coinage is established. One of the Commission's duties will be "to study the standards for our coins." If it is proven that the President, the Secretary of the Treasury, and Chairman of the House Banking and Currency Committee are wrong in advocating the continuance of silver in the 50-cent piece, the Commission may quickly bring this to our attention and we can correct the error some say they have made.

The views expressed above are shared, I believe, by many members of the House Banking and Currency Committee. Due to the in-

convenience created by having this report filed within a day of the committee's action, and on a weekend, it has not been possible to seek their concurrence on this part of the "additional views." I am confident, however, that a majority of my colleagues would join me in this part, had the opportunity been timely available.

Quarters and Dimes

Hamburger Sandwiches

The committee followed the course suggested by the Treasury staff study with regard to the quarters and dimes; namely, their complete debasement. The sole reason for eliminating silver entirely from these two subsidiary coins is the fear that supply of the metal will never meet the demand for it. The pessimism is based on panic, born of the tardy realization that a Government-controlled price for silver has placed a strain on our Treasury stocks of the precious metal. While freely admitting the superiority of silver coins, the Secretary of the Treasury has asked us to give him authority to make red-edged "hamburger sandwiches" for dimes and quarters.

When asked whether he thought the proposed cupronickel clad coins could circulate side by side with the present silver coins, we obtained answers to the effect that he "intended for them to do so." The intention of the Secretary or of this committe will not make the dull and odd-looking cheap substitutes circulate side by side with our present coins of high silver content. The dimes and quarters authorized by H.R. 8926 could doubly be called "fiat money," in that their value and their ability to circulate is to result from a governmental edict. The doubt about the latter quality was evident from the shamefaced manner in which the proposed coins were presented to the committee for inspection. The covert display of the copper and nickel, dimes, and quarters was so comical that one member expressed his analogical distrust of "red lights at the meat counter and green lights at the vegetable counter."

Treasury's Assumption

Our respected officials were placed in the ridiculous position described above by their conviction that this Nation can no longer afford silver in two of its three subsidiary coins. The frightening result of price management for silver on supply and demand came home to the Treasury "too much and too late." There is an overconviction about the need to reduce the silver content of our coins. It must be pointed out that most of the Treasury staff study was predicated on the conclusion that a reduction of silver content could not technically go below 50 percent. Working within that framework throughout most of the study, it looked doubtful that we could afford that much silver in our coins. When, however, the cladding process was brought to the attention of the Treasury, it was evident that a 40-percent-silver coin would not only look identical to the present coins, but it would perform just as well. Almost as a footnote, the Treasury staff study included table 2–A on page 70. Even with allowances for the omissions in this table, which I will outline below, it is evident that enough silver is within the reach of the Treasury to insure a smooth transition to reduced silver content dimes, quarters, and halves. Not

only would ample silver be left over after the changeover for a strategic stockpile, but the Treasury could adequately supply industrial users of silver throughout that period.

Silver Supply

The omissions in table 2–A on page 70 of the Treasury staff study are prejudicial to the case for reduced silver content coins. On the supply side of the picture, the table fails to reflect increased production of silver during the transition period. The House Committee on Interior and Insular Affairs held hearings this week to gather corrective data for those figures, which will be available at the time H.R. 8926 comes to the floor of the House. No allowance is made for industrial recovery of silver, which has been estimated at more than 35 million ounces per year. Scrap silver from discarded jewelry and old coin is in excess of 30 million ounces per year, but those figures are not apparent in table 2–A. Not one ounce coming into the market from dehoarding of coin and bullion is counted on the supply side for the estimates in the table. Experts estimate this figure to be in excess of a hundred million ounces.

Silver Demand

On the demand side of table 2–A, the estimates are more than generous. The explanation of the table notes that the 45 million silver dollars are in the Treasury figures. We all know that this will not be the case this year, or if an amendment to this bill prevails, will not be the case throughout the transition period. Also on the demand side, the Treasury staff study bases its estimates for withdrawals of Treasury silver on the redemption rate of silver certificates during 1964, the year of highest withdrawals. Much of the silver withdrawn in 1964 was for speculative purposes, not for legitimate industrial use.

Conclusion

In summary, ample silver exists for its retention in our subsidiary coins. More important, it is very likely that introduction of the dimes and quarters authorized by this bill will drive existing coins into hoarding. A horribly chaotic condition will result in the marketplace if this is the case. In order to provide an immediate remedy to such a result, I think we would be wise to place language in this bill which would give the Secretary of the Treasury discretionary authority to mint reduced silver content coins. He would not be required to exercise this authority unless it were proven necessary by the disappearance of our 90-percent-silver coins. The executive branch would be saved the embarrassment of coming again to Capitol Hill to admit its mistaken guess about coins and silver.

○

Calendar No. 305

89TH CONGRESS, 1st Session } SENATE { REPORT No. 317

THE COINAGE ACT OF 1965

JUNE 11, 1965.—Ordered to be printed

Mr. ROBERTSON, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany S. 2080].

The Committee on Banking and Currency, to whom was referred the bill (S. 2080) to provide for the coinage of the United States, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

PURPOSE OF THE LEGISLATION

The purpose of the bill is to reduce the amount of silver used in the Nation's coinage, so that we will continue to have an adequate supply of coins to carry on the Nation's business and trade in spite of the growing needs for silver and the increasing shortage in its supply. The bill would carry out the President's program presented to the Congress after a thorough study of silver and the coinage.

The bill would eliminate silver from the dime and the quarter, substituting a sandwich coin consisting of a cupronickel surface with a copper core. The bill would reduce the silver in the 50-cent piece from 90 to 40 percent, with 80-percent silver surfaces and a core with a low proportion of silver. The new dime, quarter, and 50-cent piece could be used in all vending machines, even the most sensitive, completely interchangeably with the present coins and requiring no change or adjustment of the vending machines.

In order to protect the outstanding supply of silver coins, the bill would not change the silver content of the dollar or its monetary value, and the Treasury would be authorized to redeem outstanding silver certificates or to sell silver at its monetary value of $1.29+ an ounce, continuing the present ceiling price resulting from the redemption of silver certificates. In order to further stabilize the silver market by minimizing any possible drop in the price of silver resulting from governmental action changing the coinage alloy, the

Treasury would be required during the next 5 years to buy at $1.25 newly mined domestic silver offered to it.

The bill would provide standby authority to the Secretary of the Treasury to issue regulations to restrict or prohibit the exporting, melting, or treating silver coins.

In order to provide a continuing review of the problems which may arise during transition to the new coins or afterward, the bill would establish a Joint Commission consisting of six congressional Members, four Government officials, and four public members to make recommendations to the President and the Congress for the future.

HISTORY OF LEGISLATION

The bill, S. 2080, was introduced on June 3, 1965, by Senators Robertson and Bennett, by request, on the same day the President's message recommending the legislation was received. Because of the urgency of this legislation, hearings were held on Wednesday, June 9, 1965. Testimony was received from six Senators, one Member of the House of Representatives, the Secretary of the Treasury, the Director of the Mint, and representatives of mining interests, silver users, and the vending machine industry. The Senate Committee on Banking and Currency met in executive session on the same day and reported the bill unanimously to the Senate, with an amendment.

COMMITTEE AMENDMENTS

Section 104 would direct the Secretary to buy newly mined domestic silver offered to him at $1.25 per fine troy ounce. The committee amended this provision by placing a 5-year limitation upon its effectiveness.

Section 105(b) of the bill as introduced would impose a fine of $10,000 or imprisonment up to 5 years, or both, for violation of any regulations which might be issued under section 105(a) concerning exportation, melting, or treating of U.S. coins. The committee amended this provision by limiting the imprisonment to not more than 1 year, thereby making the offense a misdemeanor, not a felony.

Section 103(a) would authorize the Secretary to acquire facilities, equipment, patents, technical knowledge, and materials to produce the coins authorized by section 101 of the bill. As introduced, the bill would have authorized him to do so without regard to existing law relating to procurement, without limitation as to time. The committee amended this to limit the exemption from the restrictions of general procurement laws to the 5 years following the enactment of the bill. Thereafter, he would be bound by the usual laws relating to Government procurement.

The committee adopted a number of technical amendments to the bill which had been worked out, at the request of the chairman of the House Banking and Currency Committee, by the Office of Legislative Counsel of the House of Representatives, with the assistance and approval of the staff of the Treasury Department and the Bureau of the Mint.

THE NEED FOR THE LEGISLATION

Silver, one of our basic metals, is now in very short supply. For most of the quarter century between 1933 and 1958, when the supply of silver greatly exceeded the demand for it, the Treasury purchased

silver at various prices; beginning in 1946 about 90 cents was paid for newly mined domestic silver. Under these pruchase programs, some 3.6 billion ounces of silver were acquired by the Treasury. The monetary value of the country's silver stocks at $1.29+ per fine ounce amounted to about $4.4 billion in 1960. This amount included about $2 billion of subsidiary coins and nearly half a billion silver dollars which had been placed in circulation over the years, and $2 billion worth of silver held in the Treasury, mostly as reserves against silver certificates.

Since World War II, and particularly since 1958, there has been a widening gap between free world silver consumption and production. After 1958, the world market price of silver rose above the U.S. Government's purchase price for domestic silver, and the country's stock began to decline. At the same time, there has been a substantial increase in the amount of silver coin in circulation. The Treasury's stock available to secure silver certificates has been reduced to about 1 billion ounces—less than half the amount held a few years earlier.

An analysis of changes in U.S. silver stocks since 1958 can be found in the following table from the "Treasury Staff Study of Silver and Coinage":

Analysis of changes in U.S. Treasury silver stocks since 1958

[In millions of fine troy ounces]

	Silver used in coinage	Bullion exchanged for silver certificates	Old silver dollars paid out	Other[1] causes of change	Total change in silver stocks	Silver stock at end of period[2]	Memorandum: Bullion equivalent of silver certificates[3] at end of period		
							In circulation	Held by Federal Reserve banks and agents	Total
1958	−38.2	.....	−12.7	+142.8	+91.9	2,106.2	1,683.5	188.3	1,871.8
1959	−41.4	.....	−15.7	+10.8	−46.3	2,059.9	1,651.1	209.3	1,860.4
1960	−46.0	.....	−16.2	−5.5	−67.7	1,992.2	1,632.0	215.9	1,847.9
1961	−55.9	.....	−23.8	−49.8	−129.5	1,862.7	1,616.3	191.2	1,807.5
1962	−77.4	.....	−27.4	+10.4	−94.4	1,768.3	1,536.0	177.5	1,713.5
1963	−111.5	−19.0	−51.5	−2.0	−184.0	1,584.3	1,440.4	105.4	1,545.8
1964									
January	−6.8	−3.5	−1.0	+3.1	−11.2	1,573.1	1,331.8	192.4	1,524.2
February	−11.3	−2.2	−2.3	+1.2	−14.6	1,558.5	1,317.4	175.0	1,492.4
March	−15.3	−3.9	−16.5	+1.9	−33.8	1,524.7	1,328.4	153.1	1,479.5
April	−16.4	−8.0	.....	−.8	−25.2	1,499.5	1,314.1	112.5	1,426.6
May	−16.2	−3.4	.....	+1.4	−18.2	1,481.3	1,317.6	100.2	1,417.8
June	−11.5	−8.2	.....	−11.8	−31.5	1,449.8	1,321.1	80.3	1,401.4
July	−11.4	−3.4	.....	+3.0	−11.8	1,438.0	1,271.4	92.7	1,364.1
August	−18.9	−5.1	.....	+.1	−23.9	1,414.1	1,245.3	100.0	1,345.3
September	−30.3	−21.4	.....	+3.7	−38.0	1,376.1	1,205.4	96.4	1,301.8
October	−22.3	−44.1	.....	−2.5	−68.9	1,307.2	1,117.5	88.3	1,205.8
November	−23.7	−20.5	.....	−1.9	−46.1	1,261.1	1,049.6	66.5	1,116.1
December	−26.0	−17.6	.....	+.5	−43.1	1,218.0	952.3	82.1	1,034.4
1964	−203.0	−141.4	−10.8	−2.1	−360.3	1,218.0	952.3	82.1	1,034.4
1965									
January	−26.1	−11.8	.....	+.2	−37.1	1,180.9	869.6	103.3	969.8
February	−22.5	−8.7	.....	+2.0	−28.6	1,152.3	817.0	88.7	905.7
March	−25.3	−7.3	.....	−3.0	−35.6	1,116.7	763.9	68.5	832.4
April	−27.3	−12.4	.....	−.4	−40.1	1,076.6	.....	.....	.....

[1] Includes purchases, lend-lease returns, net sales and transfers to Government agencies, sales to industry during 1959–61, variation in the amount of subsidiary coin and bullion held in the Treasurer's general account, and a residual discrepancy arising from the fact that coinage and bullion exchanges are shown here on a mint accounting basis while the total change in silver stocks is shown on the more widely available Daily Statement basis.

[2] As shown in the Daily Statement. The total includes approximately 64,800,000 ounces held by certain agencies of the Federal Government.

[3] Issued after June 30, 1929.

Source: Treasury Daily Statements, Circulation Statements, and unpublished material.

The principal reasons for the tremendous decline in our silver stocks are—

(1) The great increase in the use of silver for our coinage, shown by the following table:

[In millions of fine troy ounces]

1949–52 annual average	1961	1962	1963	1964
35	55.9	77.4	111.5	203

(2) Increase in industrial usage, shown by the following table:

[In millions of fine troy ounces]

1950	1961	1962	1963	1964
101	105.5	110.4	110	127.1

(3) The increase of our exports over our imports, shown by the following table:

[In thousands of fine troy ounces]

	1963	1964	Change
Imports	59,062	51,674	−7,388
Exports	31,490	109,395	+77,905
Excess of imports	27,572	----------	----------
Excess of exports	----------	57,721	----------

Estimated free world silver consumption and production, 1949–64, are shown by the following table:

Estimated free world silver consumption and production, 1949–64

[In millions of fine troy ounces]

Calendar year	Consumption					New production			Gross deficit (−)	Deficit excluding U.S. coinage demand (−)
	Industry and the arts	Coinage			Total consumption	United States	Foreign, free world	Total		
		United States	Foreign, free world	Total						
1949–53 averages	153	37	48	85	238	39	135	174	−64	−27
1953–57 averages	190	38	36	74	264	38	153	191	−73	−35
1958	191	38	41	79	270	37	169	206	−64	−26
1959	213	41	45	86	299	23	165	188	−111	−70
1960	225	46	58	104	329	37	170	207	−122	−76
1961	240	56	81	137	377	35	168	203	−174	−118
1962	248	77	50	128	375	30	171	207	−169	−92
1963	252	112	56	167	419	35	179	214	−205	−93
1964	286	203	62	265	550	36	180	216	−335	−132

Source: "Treasury Staff Study of Silver and Coinage," pt. III, tables 1 and 3, figures rounded.

As these tables show, the world's production of silver has shown little increase in the past decade. In each year beginning in 1959, the amount of silver used by the industries and arts alone has been greater than total new free world production. And last year the

use of silver for coinage was also greater than total new free world production. U.S. silver output has not been rising appreciably in spite of the increase in the price of silver from about 90 cents to $1.29—an increase of about 45 percent over the last 5 years. The increase would have had to be more than five times as great as it was in 1964 to provide for U.S. coinage alone.

The following table from the "Treasury Staff Study of Silver and Coinage" shows the major industrial uses of silver and the growth in silver consumption for each in the years 1959–64:

Estimated U.S. silver consumption, by field of use or end product, 1959–64

[In millions of fine troy ounces]

Field of use or end product	1959	1960	1961	1962	1963	1964
Batteries	3.5	3.5	5.0	6.0	6.2	9.0
Brazing alloys and solders	10.5	10.5	11.0	13.0	13.0	15.8
Dental and medical	4.8	4.8	4.9	5.0	5.1	5.2
Electrical contacts and other electrical uses; Electronic components	20.5	19.5	24.0	25.0	26.0	30.3
Mirrors	3.0	3.0	3.1	3.1	3.1	3.1
Missiles	.....	.....	.....	1.0	.2	1.0
Photographic film, plates, and sensitized paper	30.8	31.7	32.3	33.3	33.3	40.3
Silverware and jewelry	28.0	29.0	25.0	22.0	22.0	22.5
Miscellaneous	.....	.....	.2	2.0	1.1	.....
Net industrial use	101.0	102.0	105.5	110.4	110.0	127.1

Source: U.S. Department of Commerce estimates published in the Congressional Record, Apr. 23, 1965, p. 8069.

Silver is a valuable metal, with unique qualities for the arts and industry, and it has not, to date, been replaced by substitutes. The committee received from the Treasury Department testimony that there are no dependable prospects in the opinion of experts, both inside and outside the Treasury, of substantial new economically workable sources of silver that would appreciably narrow the gap between the silver supply and demand at the present prices. They further testified that optimistic projections envision an increase in production of no more than 20 percent over the next 4 years.

The price of silver cannot be permitted to rise above the present $1.29+ an ounce. Any appreciable increase, particularly any increase to the neighborhood of $1.38 an ounce—the price at which the silver in subsidiary silver coins would equal the face value of the coins—would pose the threat that our subsidiary silver coins would be melted down, with disastrous results to commerce and trade and to the public.

It is, therefore, vital that we reduce the use of silver for coinage.

THE NEW COINAGE SYSTEM

Section 101(a) would provide for the minting of new U.S. coins.

It does not change our minor coins, the penny and the nickel, which contain no silver.

Silver is completely eliminated from the dime and the quarter. These coins will have faces of the same copper-nickel alloy (75 percent copper, 25 percent nickel) used in our present 5-cent piece, bonded to a core of pure copper.

In the half dollar, the silver content is reduced from 90 to 40 percent silver. It will be faced with an alloy of 80 percent silver and 20 per-

cent copper, bonded to a core of 21 percent silver and 79 percent copper.

The Treasury Department has carried out extensive tests on the proposed new coins in its own facilities and through assistance from industry. It has found that these new coins will provide a stable and dignified coinage, which will fully and satisfactorily meet all the needs of commerce and industry and the public for the foreseeable future.

The Secretary of the Treasury stated that if Congress acted promptly on the President's program, the mint would start to strike the new coins in the near future. They would plan to produce large quantities and issue them starting in 1966.

There will be no change in the statutory specifications for the silver dollars. The size, weight, and silver content—0.77 per fine troy ounce—would remain the same. This would leave the monetary value of silver at $1.292929292.

It is contemplated that no additional silver dollars will be minted or put into circulation until after recommendations have been received from the Joint Commission on the Coinage, to be appointed under the bill.

USE OF THE NEW COINS IN VENDING MACHINES

There are now 12 million coin-operated devices in the United States. These include parking meters, telephones, washing machines and dryers, as well as vending machines. Last year $3½ billion worth of consumer items were sold through 3½ million vending machines. In ever-increasing numbers, factories, hospitals, and public and private buildings now depend upon automatic vending machines. It is estimated that a million and a half people rely upon coin-operated vending machines for at least one meal a day. Six million of our coin-operated devices have selectors set to reject coins or imitations of coins that do not have the electrical properties of our existing coins. The Treasury Department and representatives of the vending machine industry testified that the composite coins which would be minted under this bill would operate vending machines exactly as well as the present silver coins, and the vending machine industry strongly recommended enactment of the bill.

CONTINUED MINTING OF CURRENT COINS

The bill would authorize the Secretary of the Treasury to continue to produce the current subsidiary silver coins—the 10-, 25-, and 50-cent pieces. This authority is provided solely to assure an orderly transition to the new coins. It is expected that the mint will continue to produce these current coins, along with the new coins, until ample supplies of the new coins can be released, probably at different times in the year 1966. If ample supplies of each of the new coins are distributed, it is expected that this will reduce to the minimum the hoarding or withdrawal from circulation of the new coins.

When the transition to the new coins has been completed, the authority to continue to produce the existing coins will no longer be necessary, and the committee accepted the Secretary's assurance that the authority would thereafter not be exercised. However, it was not considered feasible to pick an exact date for the expiration

of this power. The committee looks to the Joint Commission on the Coinage to review this matter and to make appropriate recommendations.

Section 104 authorizes and directs the Treasury to buy any domestic silver mined after the enactment of this bill at $1.25 per fine troy ounce. This provision is intended as a precautionary measure to protect our mining industry from any undue downward fluctuations in the market during the period of transition to the new coins. The committee amended this provision of the bill so as to limit its effectiveness to the 5 years following enactment of the bill.

During the transition period there might be a tendency on the part of some to hoard their present silver coins in the expectation that the price of silver will rise above the monetary value of their coins. In order to insure there will be no increase in the price of silver above the monetary value, and thus to protect the silver coins that will continue in circulation, the Treasury will continue to supply silver from its existing stock at the price of $1.29+ per fine troy ounce.

ESTABLISHMENT OF A JOINT COMMISSION ON THE COINAGE

Title III would establish a Joint Commission on the Coinage. This Commission will study such matters as the progress made in the implementation of the new coinage program, new technological developments, the supply of various metals, and the future of the silver dollar. It will report as to the time and circumstances in which the Government should cease to maintain the price of silver, subject to the 5-year limit imposed on this authority under the committee amendment. It will be composed of the chairmen and ranking minority members of the House and Senate Banking and Currency Committees, one Member of the House of Representatives to be appointed by the Speaker, one Member of the Senate appointed by the President of the Senate, the Secretary of the Treasury, the Secretary of Commerce, the Director of the Bureau of the Budget, the Director of the Mint, and four public members appointed by the President.

REGULATIONS REGARDING EXPORTING, MELTING, AND TREATING OF COINS

As a precautionary measure, section 105(a) would give the Secretary of the Treasury standby authority to issue such rules and regulations as he may prescribe to prohibit the exportation, melting, or treating of coins of the United States. Under section 105(b) as amended by the committee, the penalty for breach of these regulations would be $10,000 or 1 year imprisonment, or both. The President, under the Export Control Act of 1949, delegated to the Secretary of Commerce the authority to prohibit or curtail the exportation from the United States of any articles, materials, or supplies, including technical data, under the criteria set forth in that act. While this delegation would authorize the issuance of regulations under the Export Control Act restricting or prohibiting the exportation of U.S. coins, the committee agreed that it was desirable to provide specific standby authority in this bill, running directly to the Secretary of the Treasury, and specifically related to the problems which may arise in the field of coinage. Furthermore, in the event the institution of regulations on the melting, treating, and export of coins were necessary, it seems

desirable that both types of controls should be administered by the Secretary of the Treasury.

Section 106 would provide that there shall be forfeited to the United States any coins exported, melted, or treated in violation of this provision or the resulting metal.

OTHER PROVISIONS OF THE BILL

Section 103 would authorize the Secretary of the Treasury to enter into such contracts as he may deem appropriate and in the public interest to acquire equipment, facilities, patents and patent rights, technical knowledge, and metallic strip necessary to produce an adequate supply of coins under this new program. After 5 years, procurement must be effected in the usual manner prescribed by the Federal procurement statute and regulations.

The committee believes that the regular Government procurement procedures would not be appropriate for the program which must be instituted to obtain the materials, equipment, patents, patent rights, facilities and services needed for the manufacture of the clad coins.

Section 201 would permit the temporary use of the San Francisco Assay Office for the minting of coins until an adequate supply of coins is available and the permanent use of this facility for refining precious metals.

The committee agrees that use of the San Francisco Assay Office is necessary during the early stages of production of the new coins, when the mints' production load will be particularly heavy. Subsequently, the provision of refining facilities at San Francisco will, according to the Secretary of the Treasury, contribute to the efficiency of operations at the mints and assay offices.

Section 202 would increase the authorization for the construction of the mint facilities from $30 to $45 million. This increase is necessary for the purchase of new presses and facilities to be used in the minting of the new coins, and for other mint operations.

Section 204 would amend section 3517 of the Revised Statutes (41 U.S.C. 324) to provide that coins minted shall be inscribed with the year of the coinage or issuance. However, if the Secretary of the Treasury determines that it is necessary, in order to prevent a shortage of coins of any denomination, such coins shall bear the date of the last preceding year inscribed on coins of that denomination. This would repeal Public Law 88-580, which provides for the retention of the date 1964 on all coins until the Secretary of the Treasury determines that an adequate supply of coins is available.

Section 205 would authorize the use of the bullion fund for the purchase of silver for coinage or under section 104 of the bill. The bullion fund is a permanent fund established by 31 U.S.C. 358 for the purchase of gold and silver bullion.

Section 206 would amend section 3528 of the Revised Statutes (31 U.S.C. 340) to redesignate the minor coinage metal fund as the coinage metal fund. It does not authorize the creation of a new fund.

Section 207 would make technical changes in the language of section 3542 of the Revised Statutes (31 U.S.C. 355) designed to take care of the wastage problem inherent in the minting of coins.

Section 20
monetary va
of that requ
certificates.
The Secret

This
there w
monetar
availabl

Section 21
laws to assu
terms as the
the case of c
penalties of

1. Section
320). This r
and uncurrer
2. The act
324 note).
coins. This
3. Section
relates to th
shall be dest
4. The las
Law 10, 73d
This subject

In complia
Rules of the
reported are
is enclosed in
law in which

SECTIO

SEC. 3558.
San Francisc
office [at Ne
of New York
that the mint
ample suppli
coins. The (
sary and bor
Treasury but
in section 35
fine gold and
deposit opera

Section 209 authorizes the Treasury to sell at not less than the monetary value of $1.292929292 per fine troy ounce silver in excess of that required to be held as reserves against outstanding silver certificates.

The Secretary of the Treasury testified that—

> This is an additional measure designed to insure that there will be no increase in the price of silver above its monetary value, even should silver certificates not be readily available for redemption.

Section 211(a) would make necessary changes in the counterfeiting laws to assure they will be applicable to the new coins on the same terms as they are applicable to the present subsidiary coins. As in the case of current coins, the counterfeiting of the new coins will carry penalties of a fine of $5,000 or 15 years' imprisonment, or both.

PROVISIONS OF STATUTES REPEALED

1. Section 9 of the act of March 14, 1900 (31 Stat. 48; 31 U.S.C. 320). This requires the Secretary of the Treasury to recoin all worn and uncurrent subsidiary silver coins of the United States.
2. The act of September 3, 1964 (Public Law 88–580; 31 U.S.C. 324 note). This relates to the retention of the date 1964 on all coins. This subject is covered by section 204 of S. 2080.
3. Section 3550 of the Revised Statutes (31 U.S.C. 336). This relates to the requirement that obverse working dies at each mint shall be destroyed at the end of each calendar year.
4. The last sentence, 43(b)(1) of the act of May 12, 1933 (Public Law 10, 73d Cong.; 31 U.S.C. 462). This relates to legal tender. This subject is covered by section 102 of S. 2080.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 3558 OF THE REVISED STATUTES (31 U.S.C. 283)

SEC. 3558. The business of the United States assay office [at] *in* San Francisco shall be in all respects similar to that of the assay office [at New York, except that no gold or silver shall be refined] *of New York except that until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins, its facilities may be used for the production of coins.* The Officer in Charge shall be allowed the amount of necessary and bona fide wastage as determined by the Secretary of the Treasury but not to exceed that provided for the melter and refiner in section 3542 of this title, for wastage incurred in the casting of fine gold and silver bars. Such wastage allowance shall not apply to deposit operations.

SECTION 4 OF THE ACT OF AUGUST 20, 1963 (PUBLIC LAW 88-102; 31 U.S.C. 294)

SEC. 4. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each fiscal year which begins after June 30, 1963, and ends before July 1, 1973, such sums as may be necessary to carry out this Act, except that the aggregate of sums appropriated under this section shall not exceed [$30,000,000] *$45,000,000*. Sums appropriated to the Department of the Treasury for the purposes of this Act may be available for transfer to the Administrator of General Services to remain available until expended.

SECTION 3 OF THE ACT OF DECEMBER 18, 1942 (56 STAT. 1065; 31 U.S.C. 317c)

SEC. 3. The Secretary of the Treasury shall cause all worn and uncurrent [minor] coin of the United States, heretofore or hereafter issued, received in the Treasury, to be melted down, the resulting metal and material to be used for coinage or sold, which sale is hereby authorized. Such coin (including any metal and material derived therefrom), and any loss resulting from the difference between the nominal or face value of such coin and the amount the same will produce in new coin, and any loss resulting from the sale of the metal or other material, shall be accounted for by entries in the fund established for the purchase of metal for [minor] coinage and said funds shall be reimbursed out of the special fund denominated the [minor] coinage profit fund: *Provided*, That the value of any coin (including any metal and material derived therefrom) accounted for as provided herein shall not be considered for the purpose of determining the statutory limit of the fund established for the purchase of metal for [minor] coinage. The proceeds from any sale pursuant to this section shall be accounted for by entries in the fund established for the purchase of metal for [minor] coinage.

SECTION 9 OF THE ACT OF MARCH 14, 1900 (31 STAT. 48; 31 U.S.C. 320)

[SEC. 9. That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount of the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.]

SECTION 3517 OF THE REVISED STATUTES (31 U.S.C. 324)

[SEC. 3517. Upon the coins there shall be the following devices and legends: Upon one side there shall be an impression emblematic of liberty, with an inscription of the word "Liberty" and the year of the coinage, and upon the reverse shall be the figure or representation of an eagle, with the inscriptions "United States of America" and "E Pluribus Unum," and a designation of the value of the coin; but

on the gold dollar and three-dollar piece, the dime, five, three, and one cent piece, the figure of the eagle shall be omitted; and on the reverse of the silver trade-dollar the weight and the fineness of the coin shall be inscribed.]

Sec. 3517. Upon one side of all coins of the United States there shall be an impression emblematic of liberty, with an inscription of the word "Liberty", and upon the reverse side shall be the figure or representation of an eagle, with the inscriptions "United States of America" and "E Pluribus Unum" and a designation of the value of the coin, but on the dime, 5-, and 1-cent piece, the figure of the eagle shall be omitted. The motto "In God we trust" shall be inscribed on all coins. Coins shall be inscribed with the year of the coinage or issuance unless the Secretary of the Treasury, in order to prevent or alleviate a shortate of coins of any denomination, directs that coins of that denomination continue to be inscribed with the last preceding year inscribed on coins of that denomination.

Act of September 3, 1964 (Public Law 88-580; 31 U.S.C. 324 Note)

[An Act

[To authorize the mint to inscribe the figure 1964 on all coins minted until adequate supplies of coins are available.

[*Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled*, That, notwithstanding section 3517 of the Revised Statutes (31 U.S.C. 324), all coins minted from the date of enactment of this Act until July 1 or January 1, whichever date first occurs after the date on which the Secretary of the Treasury determines that adequate supplies of coins are available, shall be inscribed with the figure "1964" in lieu of the year of the coinage.

[Sec. 2. The requirement of section 3550 of the Revised Statutes (31 U.S.C. 366) that the obverse working dies at each mint shall be destroyed at the end of each calendar year shall not be applicable during the period provided for in section 1 of this Act.]

Section 3526 of the Revised Statutes (31 U.S.C. 335)

Sec. 3526. [In order to procure bullion for the silver coinage authorized by this title, other than the silver dollar, the superintendents, with the approval of the Director of the Mint, as to price, terms, and quantity, shall purchase such bullion with the bullion fund.] *In order to procure bullion for coinage or to carry out the purposes of section 104 of the Coinage Act of 1965, the Secretary of the Treasury may purchase silver bullion with the bullion fund.* The gain arising from the coinage of such silver bullion into coin of a nominal value exceeding the cost thereof shall be credited to a special fund denominated the silver-profit fund. This fund shall be charged with the cost of the alloy metal, with the wastage incurred in such coinage, with the recoinage loss on silver coins recoined pursuant to section 9 of the Act of March 14, 1900 (31 Stat. 48), as amended, and with the cost of distributing silver coins. The balance remaining to the credit of this fund shall be from time to time, and at least twice a year, covered into the Treasury of the United States.

SECTION 3528 OF THE REVISED STATUTES (31 U.S.C. 340)

[SEC. 3528. For the purchase of metal for the minor coinage, authorized by this Act, a sum not exceeding $3,000,000 in lawful money of the United States shall, upon the recommendation of the Director of the Mint and in such sums as he may designate, with the approval of the Secretary of the Treasury, be transferred to the credit of the superintendents of the mints at Philadelphia, San Francisco, and Denver, at which establishments, until otherwise provided by law, such coinage shall be carried on. The superintendents, with the approval of the Director of the Mint as to price, terms, and quantity shall purchase the metal required for such coinage by public advertisement, and the lowest and best bid shall be accepted, the fineness of the metals to be determined on the mint assay. The gain arising from the coinage of such metals into coin of a nominal value, exceeding the cost thereof, shall be credited to the special fund denominated the minor coinage profit fund; and this fund shall be charged with the wastage incurred in such coinage, and with the cost of distributing said coins, as hereinafter provided. The balance remaining to the credit of this fund, and any balance of the profits accrued from minor coinage under former Acts, shall be, from time to time, and at least twice a year, covered into the Treasury of the United States.]

SEC. 3528. The Secretary of the Treasury may use the coinage metal fund for the purchase of metal for coinage. The gain arising from the coinage of metals purchased out of such fund into coin of a nominal value exceeding the cost of such metals shall be credited to the coinage profit fund. The coinage profit fund shall be charged with the wastage incurred in such coinage, with the cost of distributing such coins, and with such sums as shall from time to time be transferred therefrom to the general fund of the Treasury.

SECTION 3542 OF THE REVISED STATUTES (31 U.S.C. 355)

SEC. 3542. When all the coins, clippings, and other bullion have been delivered to the superintendent, it shall be his duty to examine the accounts and statements rendered by the superintendent of coining department and the superintendent of melting and refining department.[1] The difference between the amount charged and credited to each officer shall be allowed as necessary wastage, if the superintendent shall be satisfied that there has been a bona fide waste of the precious metals, and if the amount shall not exceed [, in the case of the superintendent of melting and refining department,[1] one-thousandth of the whole amount of gold, and one and one-half thousandths of the whole amount of silver delivered to him since the last annual settlement, and in the case of the superintendent of coining department,[1] one-thousandth of the whole amount of silver, and one-half thousandth of the whole amount of gold that has been delivered to him by the superintendent] *such limitations as the Secretary shall establish.* All copper used in the alloy of gold and silver bullion shall be separately charged to the superintendent of melting and refining department,[1] and accounted for by him.

[1] The positions of melter and refiner and coiner were abolished by Act of August 23, 1912, and their duties and responsibilities transferred to the superintendent of the mint or assay office. The same section provided for the appointment of assistants and employees of the mints and assay offices by the Secretary of the Treasury. Pursuant to that authority, superintendents of the melting and refining and coining departments were appointed who are said to perform the duties of the former melter and refiner and coiner.

SECTION 3550 OF THE REVISED STATUTES (31 U.S.C. 366)

[SEC. 3550. The obverse working dies at each mint shall, at the end of each calendar year, be defaced and destroyed by the superintendent of coining department[1] in the presence of the superintendent and assayer.]

SECTION 2 OF THE ACT OF JUNE 4, 1963 (PUBLIC LAW 88-36; 31 U.S.C. 405a-1)

SEC. 2. The Secretary of the Treasury shall maintain the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates. [Unless the market price of silver exceeds its monetary value, the Secretary of the Treasury shall not dispose of any silver held or owned by the United States in excess of that required to be held as reserves against outstanding silver certificates, but any such excess silver may be sold to other departments and agencies of the Government or used for the coinage of standard silver dollars and subsidiary silver coins.] *The Secretary of the Treasury is authorized to use for coinage, or to sell on such terms and conditions as he may deem appropriate, at a price not less than the monetary value of 1.2929292 per fine troy ounce, any silver of the United States in excess of that required to be held as reserves against outstanding silver certificates.* Silver certificates shall be exchangeable on demand at the Treasury of the United States for silver dollars or, at the option of the Secretary of the Treasury, at such places as he may designate, for silver bullion of a monetary value equal to the face amount of the certificates.

THE LAST SENTENCE OF SECTION 43(b)(1) OF THE ACT OF MAY 12, 1933 (PUBLIC LAW 10, 73d CONGRESS; 31 U.S.C. 462)

[All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore or hereafter coined or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight.]

TITLE 18 OF THE UNITED STATES CODE

* * * * * * *

Chapter 25.—COUNTERFEITING AND FORGERY

Sec.
471. Obligations or securities of United States.
472. Uttering counterfeit obligations or securities.
473. Dealing in counterfeit obligations or securities.
474. Plates or stones for counterfeiting obligations or securities.
475. Imitating obligations or securities; advertisements.
476. Taking impressions of tools used for obligations or securities.
477. Possessing or selling impressions of tools used for obligations or securities.
478. Foreign obligations or securities.
479. Uttering counterfeit foreign obligations or securities.
480. Possessing counterfeit foreign obligations or securities.
481. Plates or stones for counterfeiting foreign obligations or securities.
482. Foreign bank notes.
483. Uttering counterfeit foreign bank notes.
484. Connecting parts of different notes.
485. [Gold or silver coins] *Coins* or bars.
486. Uttering coins of gold, silver or other metal.
487. Making or possessing counterfeit dies for coins.
488. Making or possessing counterfeit dies for foreign coins.
489. Making or possessing likeness of coins.
490. Minor coins.
491. Tokens used as money or similar to coins.
492. Forfeiture of counterfeit paraphernalia.
493. Bonds and obligations of certain lending agencies.
494. Contractors' bonds, bids, and public records.
495. Contracts, deeds and powers of attorney.
496. Customs entry certificates.
497. Letters patent.
498. Military or naval discharge certificates.
499. Military, naval, or official passes.
500. Money orders.
501. Postage stamps and postal cards.
502. Postage and revenue stamps of foreign governments.
503. Postmarking stamps.
504. Printing and filming of United States and foreign obligations and securities.
505. Seals of courts; signatures of judges or court officers.
506. Seals of departments or agencies.
507. Ship's papers.
508. Transportation requests of Government.
509. Possessing and making plates or stones for Government transportation requests.

* * * * * * *

§ 485. [Gold or silver coins] *Coins* or bars

[Whoever falsely makes, forges, or counterfeits any coin or bars in resemblance or similitude of the gold or silver coins or bars coined or stamped at the mints and assay offices of the United States, or in resemblance or similitude of any foreign gold or silver coin current in the United States, or are in actual use and circulation as money within the United States; or

[Whoever passes, utters, publishes or sells, or attempts to pass, utter, publish, or sell, or bring into the United States, from any foreign place, knowing the same to be false, forged, or counterfeit, with intent to defraud any body politic or corporate, or any person, or possesses any such false, forged, or counterfeited coin or bars, knowing the same to be false, forged, or counterfeited, with intent to defraud any body politic or corporate, or any person—]

Whoever falsely makes, forges, or counterfeits any coin or bar in resemblance or similitude of any coin of a denomination higher than 5 cents or any gold or silver bar coined or stamped at any mint or assay office of the United States, or in resemblance or similitude of any foreign gold or silver coin current in the United States or in actual use and circulation as money within the United States; or

Whoever passes, utters, publishes, sells, possesses, or brings into the United States any false, forged, or counterfeit coin or bar, knowing the same to be false, forged, or counterfeit, with intent to defraud any body politic or corporate, or any person, or attempts the commission of any offense described in this paragraph—

Shall be fined not more than $5,000 or imprisoned not more than fifteen years, or both.

○

cised by him subject to all the terms and conditions in any such Executive order the same as if such functions, powers, authority, and duties were specifically named in such Executive order or orders.

PART 7—MISCELLANEOUS

Miscellaneous.

PERFECTING ORGANIZATION FARM CREDIT ADMINISTRATION

Farm Credit Administration.

Authority of Governor of, to perfect organization, etc.

SEC. 40. The Governor of the Farm Credit Administration is authorized, in carrying out the powers and duties now or hereafter vested in him or the Farm Credit Administration by law or under any Executive order made under title IV of part II of the Legislative Appropriation Act of 1933, as amended, to establish, and to fix the powers and duties of, such divisions, agencies, corporations, and instrumentalities as he may deem necessary to the efficient functioning of the Farm Credit Administration and the successful execution of the powers and duties so vested in the Governor and the Farm Credit Administration. This section shall not be construed to restrict the authority of the President under title IV of such Act, as amended: *Provided*, That no salary or compensation shall be paid to any officer, agent, or other person employed under this section in excess of $10,000 per annum.

Vol. 47, p. 413.

No restriction on authority of President.

Proviso.
Salary limitation.

LOANS TO FRUIT GROWERS

Loans to fruit growers.

Appraising security at fair value.

SEC. 41. That in making loans to owners of groves and orchards, including citrus-fruit groves and other fruit groves and orchards, the Federal land banks, the farm land banks, and all Government agencies making loans upon such character of property may, in appraising the property offered as security, give a reasonable and fair valuation to the fruit trees located and growing upon said property and constituting a substantial part of its value.

PART 8—SHORT TITLE

Short title.

SEC. 42. This title may be cited as the "Emergency Farm Mortgage Act of 1933."

TITLE III—FINANCING—AND EXERCISING POWER CONFERRED BY SECTION 8 OF ARTICLE I OF THE CONSTITUTION: TO COIN MONEY AND TO REGULATE THE VALUE THEREOF

Financing: Coining money, etc.

Discretionary authority of the President.
Post, p. 343.
When U.S. commerce adversely affected by foreign currency depreciation.
Fixing parity of currency issues.
Economic emergency requires credit expansion.
Stabilization by international agreement.

SEC. 43. Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) an economic emergency requires an expansion of credit, or (4) an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments, the President is authorized, in his discretion—

Conduct, through Federal Reserve Board, open market operations in U.S. obligations, etc.
Post, p. 168.

(a) To direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board whereby the Federal Reserve Board will, and it is hereby authorized to, notwithstanding any provisions of law or rules and regulations to the contrary, permit such reserve banks to agree that they will, (1) conduct, pursuant to existing law, throughout specified periods, open market operations in obligations of the United States Government or corporations in which the

Purchase directly and hold Treasury bills, etc., additional to present holdings.

United States is the majority stockholder, and (2) purchase directly and hold in portfolio for an agreed period or periods of time Treasury bills or other obligations of the United States Government in an aggregate sum of $3,000,000,000 in addition to those they may then hold, unless prior to the termination of such period or periods the Secretary shall consent to their sale. No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11(c) of the Federal Reserve Act, necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11(c). Nor shall it require any automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section. The Federal Reserve Board, with the approval of the Secretary of the Treasury, may require the Federal Reserve banks to take such action as may be necessary, in the judgment of the Board and of the Secretary of the Treasury, to prevent undue credit expansion.

Suspension of reserve requirements not to impose graduated tax on any deficiency in reserves.
Vol. 38, p. 262.
U.S.C., p. 276.

Interest or discount rates.

Measures to prevent undue credit expansion.

If unable to secure assent of Federal Reserve banks to authorized agreements, etc.

(b) If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks and the Federal Reserve Board to the agreements authorized in this section, or if operations under the above provisions prove to be inadequate to meet the purposes of this section, or if for any other reason additional measures are required in the judgment of the President to meet such purposes, then the President is authorized—

Authority of President.

United States notes may be issued.

(1) To direct the Secretary of the Treasury to cause to be issued in such amount or amounts as he may from time to time order, United States notes, as provided in the Act entitled "An Act to authorize the issue of United States notes and for the redemption of funding thereof and for funding the floating debt of the United States", approved February 25, 1862, and Acts supplementary thereto and amendatory thereof, in the same size and of similar color to the Federal Reserve notes heretofore issued and in denominations of $1, $5, $10, $20, $50, $100, $500, $1,000, and $10,000; but notes issued under this subsection shall be issued only for the purpose of meeting maturing Federal obligations to repay sums borrowed by the United States and for purchasing United States bonds and other interest-bearing obligations of the United States: *Provided*, That when any such notes are used for such purpose the bond or other obligation so acquired or taken up shall be retired and canceled. Such notes shall be issued at such times and in such amounts as the President may approve but the aggregate amount of such notes outstanding at any time shall not exceed $3,000,000,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, an amount sufficient to enable the Secretary of the Treasury to retire and cancel 4 per centum annually of such outstanding notes, and the Secretary of the Treasury is hereby directed to retire and cancel annually 4 per centum of such outstanding notes. Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts public and private.

Vol. 12, p. 345.

Size, color, denominations, etc.

Purposes of issue defined.

Proviso.
Retirement of bonds so purchased.

Issues, amounts, etc.

Appropriation for annual cancellation.

Notes, etc., to be legal tender.
Post, p. 113.

President, by proclamation, may fix weight of gold dollar.
Silver dollar.
Post, p. 344.

(2) By proclamation to fix the weight of the gold dollar in grains nine tenths fine and also to fix the weight of the silver dollar in grains nine tenths fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed, or in case the Government of the United States

Unlimited coinage of gold and silver dollar at fixed ratio.

enters into an agreement with any government or governments under the terms of which the ratio between the value of gold and other currency issued by the United States and by any such government or governments is established, the President may fix the weight of the gold dollar in accordance with the ratio so agreed upon, and such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 per centum.

Weight of gold dollar fixed by international agreement.

To be standard unit of value.

Parity maintenance. Minimum weight of gold dollar. Post, p. 342.

SEC. 44. The Secretary of the Treasury, with the approval of the President, is hereby authorized to make and promulgate rules and regulations covering any action taken or to be taken by the President under subsection (a) or (b) of section 43.

Rules, etc., to be promulgated. Post, p. 341.

SEC. 45. (a) The President is authorized, for a period of six months from the date of the passage of this Act, to accept silver in payment of the whole or any part of the principal or interest now due, or to become due within six months after such date, from any foreign government or governments on account of any indebtedness to the United States, such silver to be accepted at not to exceed the price of 50 cents an ounce in United States currency. The aggregate value of the silver accepted under this section shall not exceed $200,000,000.

Acceptance of silver for ensuing six months. Indebtedness of foreign governments.

Limitation on aggregate amount.

(b) The silver bullion accepted and received under the provisions of this section shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made: but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law.

Silver bullion to be subject to law requirements.

(c) The silver accepted and received under the provisions of this section shall be deposited in the Treasury of the United States, to be held, used, and disposed of as in this section provided.

Deposit in Treasury for uses designated.

(d) The Secretary of the Treasury shall cause silver certificates to be issued in such denominations as he deems advisable to the total number of dollars for which such silver was accepted in payment of debts. Such silver certificates shall be used by the Treasurer of the United States in payment of any obligations of the United States.

Silver certificates, issue of. Post, p. 342.

(e) The silver so accepted and received under this section shall be coined into standard silver dollars and subsidiary coins sufficient, in the opinion of the Secretary of the Treasury, to meet any demands for redemption of such silver certificates issued under the provisions of this section, and such coins shall be retained in the Treasury for the payment of such certificates on demand. The silver so accepted and received under this section, except so much thereof as is coined under the provisions of this section, shall be held in the Treasury for the sole purpose of aiding in maintaining the parity of such certificates as provided in existing law. Any such certificates or reissued certificates, when presented at the Treasury, shall be redeemed in standard silver dollars, or in subsidiary silver coin, at the option of the holder of the certificates: *Provided*, That, in the redemption of such silver certificates issued under this section, not to exceed one third of the coin required for such redemption may in the judgment of the Secretary of the Treasury be made in subsidiary coins, the balance to be made in standard silver dollars.

Coinage.

Redemption.

Purpose of aiding in maintaining parity of certificates.

Certificates redeemable in silver dollars, etc.

Proviso. Subsidiary coins.

Silver certificates may reissue.

(f) When any silver certificates issued under the provisions of this section are redeemed or received into the Treasury from any source whatsoever, and belong to the United States, they shall not be retired, canceled, or destroyed, but shall be reissued and paid out again and kept in circulation; but nothing herein shall prevent the cancelation and destruction of mutilated certificates and the issue of other certificates of like denomination in their stead, as provided by law.

Cancellation, etc., of mutilated certificates.

Rules to be prescribed.

(g) The Secretary of the Treasury is authorized to make rules and regulations for carrying out the provisions of this section.

Federal Reserve Act, amendment.
Vol. 38, p. 271.
U.S.C., p. 287.

SEC. 46. Section 19 of the Federal Reserve Act, as amended, is amended by inserting immediately after paragraph (c) thereof the following new paragraph:

Emergency due to credit expansion.
Federal Reserve Board may so declare, and modify reserve balances, etc.

"Notwithstanding the foregoing provisions of this section, the Federal Reserve Board, upon the affirmative vote of not less than five of its members and with the approval of the President, may declare that an emergency exists by reason of credit expansion, and may by regulation during such emergency increase or decrease from time to time, in its discretion, the reserve balances required to be maintained against either demand or time deposits."

Approved, May 12, 1933.

[CHAPTER 26.]

AN ACT

May 12, 1933.
[H. R. 4[illegible]]
Public, No. [illegible].

To extend the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kansas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time for completing the construction of a bridge across the Missouri River at or near Kansas City, Kansas, authorized to be built by the Interstate Bridge Company, its successors and assigns, by an Act of Congress approved May 22, 1928, heretofore extended by Acts of Congress approved March 2, 1929, and June 30, 1930, is hereby further extended two years from May 22, 1933.

Missouri River.
Time extended for building at Kansas City, Kans.
Vol. 45, pp. 708, 1339; Vol. [illegible], p. [illegible], amended.

Amendment.

SEC. 2. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved, May 12, 1933.

[CHAPTER 27.]

AN ACT

May 12, 1933.
[H. R. [illegible]]
Public, No. [illegible].

To extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, South Carolina.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, South Carolina, authorized to be built by the county of Georgetown, South Carolina, by an Act of Congress approved May 29, 1930, are hereby extended one and three years, respectively, from May 29, 1933.

Pee Dee and Waccamaw Rivers.
Time extended for building at Georgetown, S. C.
Vol. 46, p. 479, amended.

Amendment.

SEC. 2. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved, May 12, 1933.

to Knightsbridge Coins and the subject matter of this litigation.

First of all, Mr. Baker, are you familiar with the company Knightsbridge Coins?

A Yes.

Q And are you familiar with Stephen Fenton --

A Yes.

Q -- who is the claimant in this case?

How long -- is Knightsbridge a client of Jet Air's?

A Yes.

Q And how long have they been a client?

A I don't know exactly. Several years.

Q What type of business, to your knowledge, are they engaged in?

A Buying and selling of coins.

Q Can you tell me approximately how many entries your firm has handled for Jet Air over the years?

A For Knightsbridge, I would have to check to see.

Q Are we talking about more than a handful? Are we talking about more than 10?

connection with the entry by Knightsbridge Coins that was requested on the subpoena, I take it?

A That is correct.

Q Was this filled out by the clerk that you mentioned before?

MR. MURPHY: Which clerk?

Q I don't remember her name. You mentioned a woman as an import clerk.

A Based on the handwriting, it looks like it was filled out by Joseph P-o-d-b-e-l-a.

Q Is he the president of the firm?

A Yes.

Q Is it unusual for Mr. Podbela to be involved in filling out this type of form?

A No.

Q I take it if the clerk isn't available, other people chip in at the office to fill these things out?

MR. BERKE: Objection.

MR. MURPHY: Object.

Q Do you know whether Mr. Podbela on occasion fills out forms like this?

A Yes.

Q And am I right that this form was

filled out on February 7, of '9 -- well, I don't know if a year is on there, but it is February 7, in any event.

A 1996, yes.

Q It's '96, yes.

There's a box on this form for estimated value. Do you see that on there?

A Yes.

Q And the figure $742,451 has been written in there. Where would that information be obtained from?

A The invoice.

Q Mr. Baker, I'm showing you now what's been marked Government Exhibit 3. Do you recognize that?

A Yes.

(Form prepared from telephone call with Stephen Fenton marked as Government's Exhibit No. 3 for identification, as of this date.)

Q And what is that?

A It's a form that I prepared based on a telephone call from Steve Fenton informing me that he would be arriving on British Airways Flight 3 on

1 February 7 with a notation that he will fax the
2 invoices.
3 Q Mr. Baker, I'm showing you a two-page
4 document that's been marked Government Exhibit 4,
5 and ask if you recognize that one?
6 A Yes, I do
7 (Cover sheet from Knightsbridge
8 Coins with letter from Jim Brown
9 attached was marked as Government's
10 Exhibit No. 4 for identification, as of
11 this date.)
12 Q What is that?
13 A It's a cover sheet from Knightsbridge
14 addressed to me informing me that per my
15 conversation with Stephen, he would be arriving on
16 British Airways 003 on the afternoon of February 7.
17 Q And this letter is from somebody, Jim
18 Brown.
19 Who is that, do you know?
20 A I assume him to be an employee of
21 Knightsbridge Coins.
22 Q And on the second page of this
23 exhibit, is that the invoice?
24 A That is the invoice which I received.
25

Q And obviously this was faxed to you?

A Yes.

Q Mr. Baker, I'm showing you now what's been marked Government Exhibit 5. Do you recognize that document?

A Yes, I do.

(Customs Form 3461 was marked as Government's Exhibit No. 5 for identification, as of this date.)

Q And what is that?

A It's a Customs Form 3461 showing Customs release apparently dated February 7, 1996 for a shipment brought in by Knightsbridge Coins.

Q Does this relate to the same entry that is the subject of the reference sheet and the fax?

A Yes.

Q And the type of merchandise indicated is U.S. and foreign gold coins; is that right?

A Yes.

Q And did you sign off on the certification for this form?

A Yes, I did.

Q And the value figure that is provided

in Box 19, is that based on the invoice or on some other information?

A It's based on the invoice.

Q And since the invoice is in pounds, I take it somebody at Jet Air converted the figure to dollars?

A Yes.

Q Did you actually fill out this 3461, to your recollection, other than signing it, did you actually complete the document?

A I probably did.

Q And why do you say that? Do you recall filling out the 3461?

A Not specifically, but the only other person who fills it out adds the letter "D" after the reference number shown in Box No. 7 under broker/importer file number.

Q And the "D" is not present, so that leads you to conclude that it's yours?

A Right.

Q What document, if any, was included with this 3461 when it was submitted to Customs?

A I would imagine the 3461, the commercial invoice, that would be all that would be

necessary.

Q Is the commercial invoice the second page of Government Exhibit 4?

A That is correct.

Q All right. And I take it Jet Air took no independent steps on their own to verify, first of all, the total figure value?

MR. MURPHY: Objection.

MR. BERKE: Objection.

Q Did Jet Air take any steps to confirm or verify the accuracy of the total dollar value figure?

A We prepared the entry based on the information provided on the commercial invoice.

Q No independent investigation by Jet Air?

A No.

Q Not every question is a trick question.

And similarly with regard to the description of the merchandise, is it accurate to say that the description of the merchandise that is included on the form is based on the information from the client?

Baker

importers do, what people do other than him, given it's his policies and practices that he's relating.

MR. BARR: I'm only asking about his clients, clients of Jet Air; I'm obviously not asking about other businesses that you have no familiarity with.

BY MR. BARR:

Q All right. Let's see.

Going back to Government Exhibit 6, was this letter prepared by you? I believe that you testified earlier this letter was prepared by you in place of the affidavit; is that correct?

A Correct.

Q All right. Were you responsible for the drafting of this letter?

A Yes.

Q And the language that's used in the letter describing the entry is yours?

A Yes.

Q You indicate in the letter or you state in the letter that the imported items were "Legal tender U.S. gold coins minted by the United

Baker

1 States Government between 1830 and 1932."

2 What was the basis of your information

3 for making that statement?

4 A I had asked one or more persons who I

5 thought would be knowledgeable as to the general

6 time frame within which U.S. coins are minted.

7 Q Okay. And you asked one or more

8 persons at Jet Air or at Knightsbridge Coins?

9 MR. BERKE: Objection.

10 Q Who did you make your inquiry of?

11 A It would have been someone who was in

12 the business of importing U.S. gold coins.

13 Q Well, let's not speculate as to who.

14 Do you know who you asked?

15 A No, I don't.

16 Q This was in February of '96; is that

17 correct?

18 A No.

19 Q This document was not created in

20 February of '96?

21 MR. BERKE: Objection.

22 Q Mr. Baker, when was Government

23 Exhibit 6 drafted?

24 MR. MURPHY: When was Government

25

Exhibit 6 drafted?

MR. BERKE: Maybe I can help out.

MR. MURPHY: Are you talking about the language in the form or the physical form?

MR. BARR: I understand.

BY MR. BARR:

Q When was the actual document that is Government Exhibit 6 created? I don't mean the -- what I mean is the actual --

A I believe in 1989.

Q Just so the record is clear, I believe what you're referring to now is the language that you use in the letter you're saying is drafted in '89?

A Correct.

Q And that is language that you had -- am I accurate in calling that boilerplate that you had --

MR. MURPHY: Do you understand?

Q -- standard language that you had that you used at Jet Air for coins?

A It was information which I thought

would be descriptive to provide Customs with an idea of what it was they were looking at.

Q All right. So is it accurate to say that back in '89 you generated some descriptive language for use in coin imports with U.S. coins?

A Correct.

Q And at that time is when you drafted up the language that appears in Government Exhibit 6?

A That is correct.

Q There are six lines here on Government Exhibit 6. Just take a look at that.

Are those six lines, all of them based on language that was drafted back in '89?

A Yes.

Q So there's nothing new that's been added for the purpose of this particular import?

A No.

Q Okay. And you don't recall at this time who it was in '89 that you spoke to?

A Specifically, no.

Q Was it a coin expert, though?

A It would have been one or more persons who I felt who had imported coins and, therefore, I

1 thought would be knowledgeable as to the general
2 information that I needed to know when I was
3 considering preparing the form.
4 Q Now back in '89, did you draft
5 language that pertains to U.S. gold coins in
6 particular?
7 A Most of the importations for which
8 Customs would require the -- most of the
9 importations the form was designed for would be fo
10 U.S. gold coins.
11 Q Did you have other language prepared
12 in the event that coins are not gold coins?
13 A No.
14 Q So the only language that you had
15 prepared back in '89 pertains to U.S. gold coins?
16 A Yes.
17 Q Now, when you said earlier that you
18 spoke to somebody who was knowledgeable about coin
19 I'm just trying to clarify whether you talked to
20 somebody in the coin business or you talked to
21 somebody in some other line of work.
22 A I believe it would have been somebod
23 in the coin business.
24 Q Okay. Here in the U.S.?
25

A I have a number of customers who are based in the U.S. who import U.S. gold coins; so, specifically, I couldn't say. It is probable.

Q Can you recall instances where you drafted letters similar to Government Exhibit 6 on behalf of importers of U.S. gold coins?

A Yes.

Q Approximately how often have you prepared such letters? How many times, not how often. How many times?

A Every time I had an importation of U.S. gold coins.

Q And how many times would that be, approximately?

A I would have to look. It's -- in the course of --

Q Since '89.

A Numerous times.

Q Okay. More than 10?

A More than 10.

Q That you've used language the same as this language?

A The same language.

Q Okay.

[1]
[2] question pertaining to the year '95 and '96.
[3] A: Right. I can't remember exactly, but
[4] I can give you an approximation.
[5] Q: That's fine.
[6] A: I don't actually have a fixed income
[7] as such. I draw a certain amount of money
[8] every month. I have one sum which I draw out
[9] of the bank in cash, sort of living expenses.
[10] I have another amount which is transferred to
[11] my private account. And then certain things
[12] like my mortgage and paying off my house, that
[13] is paid from the business side and then entered
[14] into another column going out as private
[15] expenses.
[16] MR. BERKE: I suggest that if you
[17] could just tally up based on what is personal
[18] to you, you estimate to be your personal income
[19] for those two years.
[20] Q: Right.
[21] A: Two years?
[22] Q: Well, you could do it year by year.
[23] 1995 —
[24] A: It will be the same. Can you give me
[25] one moment? I can work out some figures.

[1]
[2] (Pause)
[3] A: Do you want gross or net?
[4] Q: I am not familiar with the British
[5] tax scheme so maybe you need to give me both.
[6] MR. BERKE: Why don't you give gross.
[7] A: Can I give you the net figures what I
[8] actually draw?
[9] Q: Yes.
[10] A: Okay.
[11] (Pause)
[12] A: Well, the cash amount drawn is
[13] approximately $5,000 per annum and then I
[14] have —
[15] MR. BERKE: Just give the total if
[16] that's easier.
[17] (Pause)
[18] MR. BERKE: It can be an estimate or
[19] a range, I believe.
[20] MS. LEVINE: Right.
[21] (Pause)
[22] A: I would say my drawings,
[23] approximately $200,000.
[24] Q: That's per year and your — per year,
[25] right?

[1]
[2] A: Yes.
[3] MR. BERKE: You said dollars or in
[4] pounds?
[5] THE WITNESS: U.S. dollars.
[6] Q: So you did the translation for me in
[7] pounds to dollars?
[8] A: Yes, I was just sort of getting
[9] everything together. That is approximate.
[10] MR. BERKE: What you are describing
[11] is your draw from your business in total?
[12] THE WITNESS: Correct.
[13] MS. LEVINE: Would anyone like to
[14] take a break?
[15] THE WITNESS: Sure.
[16] (Recess)
[17] BY MS. LEVINE:
[18] Q: Okay. Back on the record.
[19] Mr. Fenton, when did you get the 1933
[20] Double Eagle coin which is the subject of this
[21] lawsuit?
[22] A: Upon the advice of counsel I
[23] respectfully decline to answer this question
[24] base upon my rights under the Fifth Amendment.
[25] Q: How did you acquire the 1933 Double

[1]
[2] Eagle?
[3] A: Same answer.
[4] Q: Can you pinpoint for me the exact
[5] date of the purchase?
[6] A: Same answer.
[7] Q: Do you have any records of the
[8] purchase of this coin?
[9] A: Same answer.
[10] Q: Is there any purchase note form that
[11] you described to me earlier that covers the
[12] purchase of the '33 Double Eagle?
[13] A: Same answer.
[14] Q: Is the purchase of this coin
[15] reflected in your stock book ledger?
[16] A: Same answer.
[17] Q: Is it reflected in any other document
[18] in your possession?
[19] A: Same answer.
[20] Q: The purchase of the coin, that is.
[21] What was the name of the seller of
[22] the coin? When I say "the coin," I am sure we
[23] all mean the 1933 Double Eagle, the subject of
[24] this lawsuit.
[25] A: Same answer.

Page 81

Q: I would ask you for the name, address, telephone number of the person or persons who sold you the coin.
A: Same answer.
Q: Did you know him or her, the seller, before the purchase?
A: Same answer.
Q: Was the seller known to you as a coin dealer?
A: Same answer.
Q: Did you know the seller to be a private coin collector?
A: Same answer.
Q: Was the person a professional coin person?
A: Same answer.
Q: Had you done any business with the seller in the past before you acquired the 1933 Double Eagle?
A: Same answer.
Q: If the answer would be yes, I would inquire what the business was that you did with the seller?
A: Same answer.

Page 82

Q: When was the last time you communicated with the seller of the Double Eagle?
A: Same answer.
Q: When was the last time — I'm not sure I may have covered this but — when was last time you had any communication with the person or persons who sold you the Double Eagle?
A: Same answer.
Q: Ask you to describe for me the details as to how this purchase came about?
A: Same answer.
Q: Did the seller call you to make an appointment to see you in your store?
A: Same answer.
Q: Did the seller come into your store alone?
A: Same answer.
Q: Was there anybody else present in the store when the seller brought the 1933 Double Eagle?
A: Same answer.
Q: Was the seller of this coin known to

Page 83

James Brown, your employee?
A: Same answer.
Q: Was he there when the transaction took place?
A: Same answer.
Q: Can you tell me exactly what you purchased from the person or persons who sold you the 1933 Double Eagle?
A: Sorry, can you repeat that?
Q: Can you tell me exactly what you purchased — I assume it was coins, but I am asking if you could tell me exactly what you purchased from the individual who sold you the 1933 Double Eagle?
A: Same answer.
Q: How many coins did you purchase from this individual?
A: Same answer.
Q: Was it hundreds of coins?
A: Same answer.
Q: Can you provide us with an exact list of all the coins that you acquired at the time from the person from whom you acquired the 1933 Double Eagle?

Page 84

A: Same answer.
Q: Did the person — just for the record, I am saying "the person" since I am not getting an answer to the questions. If it turns out that it was more than one person, the questions will be deemed applicable — for the sake of moving this along.
Did the person who sold you the 1933 Double Eagle specifically highlight the 1933 Double Eagle to you?
A: Same answer.
Q: Did the person say anything to you at all about this particular coin, the 1933 Double Eagle?
A: Same answer.
Q: Was it your impression that the seller did not know that he or she had a 1933 Double Eagle?
A: Same answer.
Q: When you engaged in the transaction, did you know you were buying a 1933 Double Eagle?
A: Same answer.
Q: How much did you pay for the coins

you bought from this person?
A: Same answer.
Q: Specifically how much did you pay for the 1933 Double Eagle?
A: Same answer.
Q: Are there any documents that would substantiate what you paid for the coin?
A: Same answer.
MS. LEVINE: I think I have asked but I will ask again that such documents be produced if they exist.
Q: Was there any sales agreement in connection with your purchase of the '33 Double Eagle?
A: Same answer.
Q: How did you pay for the '33 Double Eagle?
A: Same answer.
Q: Same question, how did you pay for any other coins you may have purchased from the seller of the '33 Double Eagle?
A: Same answer.
MS. LEVINE: Again, I would ask for any document such as cancelled checks if they

exist or any documents relating to the financial aspect of the purchase.
Q: Did you personally examine the coin or coins that you purchased from this individual?
A: Same answer.
Q: Did anyone working for you, that would include James Brown, examine any of the coins brought in to you by the seller of the '33 Double Eagle?
A: Same answer.
Q: Did you specifically examine the 1933 Double Eagle at the time it was brought into your shop?
A: Same answer.
Q: Did Mr Brown?
A: Same answer.
Q: Did you ever have the 1933 Double Eagle examined independently for authenticity?
A: Same answer.
Q: If so, by whom?
A: Same answer.
Q: Did you have the '33 Double Eagle appraised, valued —

A: Pardon?
Q: Did you have the 1933 Double Eagle appraised?
A: Appraised? Same answer.
Q: When I say appraised, I mean appraised for valuation or authenticity, genuineness.
Did you arrange to have anyone, including anyone you regard as an expert, look at any of the coins that you purchased from the seller?
A: Same answer.
Q: Did you have any agreement or understanding with the seller regarding the possibility that any of the coins you purchased were counterfeit?
A: Could you repeat that?
Q: Did you have any understanding with the person who sold you the '33 Double Eagle regarding the possibility that any of the coins that you were buying turned out to be counterfeit, fraudulent?
A: Same answer.
Q: Did you photograph any of the coins

you bought from the person who sold you the Double Eagle?
A: Same answer.
Q: Did you take any photographs of the 1933 Double Eagle?
A: Same answer.
MR. BERKE: Again, if you want to ask does he have a photograph of his 1933 Double Eagle, I think that's one we would not have an objection. I'm not sure if that's exactly what you are asking. If you want to ask that question —
MS. LEVINE: Well, I guess — I asked if he had a photograph taken.
Q: Do you have a photograph of the 1933 Double Eagle?
A: No.
Q: Did you ever have one?
A: No.
Q: Was your purchase of the 1933 Double Eagle inadvertent?
A: Same — on the advice of counsel I respectfully decline to answer this question based upon my rights under the Fifth Amendment.

Page 89

[1]
[2] Q: Is it accurate to say that neither
[3] you nor the seller realized there was a 1933
[4] Double Eagle in the group of coins that was
[5] being sold?
[6] A: Same answer.
[7] Q: Was it accurate to say that the price
[8] you paid for the 1933 Double Eagle did not
[9] accurately reflect the value of the 1933 Double
[10] Eagle?
[11] A: Same answer.
[12] Q: Did you and the seller have any
[13] discussions regarding the price that you were
[14] paying, specifically in terms of their being a
[15] 1933 Double Eagle included in the sale?
[16] A: Same answer.
[17] Q: When did you first realize that you
[18] had a 1933 Double Eagle?
[19] A: Same answer.
[20] Q: How did you discover that you had
[21] this coin?
[22] A: Same answer.
[23] Q: What did you believe the value of the
[24] '33 Double Eagle to be when you first realized
[25] you had it?

Page 90

[1]
[2] A: Same answer.
[3] Q: Did you consult with anyone regarding
[4] the value of the '33 Double Eagle?
[5] A: Same answer
[6] Q: Who if anyone?
[7] A: Is that another question?
[8] Q: Yes Who did you consult with?
[9] A: Same answer
[10] Q: I would inquire if you did have such
[11] conversations to tell me about them?
[12] A: Same answer
[13] Q: Did you know whether there was any
[14] significance to the date 1933 for a gold United
[15] States coin?
[16] MR. BERKE: When he purchased it?
[17] A: Same answer
[18] Q: What was the significance if any?
[19] A: Same answer.
[20] Q: Did you discuss with the seller of
[21] the coin where he or she had obtained the 1933
[22] Double Eagle?
[23] A: Same answer.
[24] Q: Did you tell anyone that you had
[25] obtained a 1933 Double Eagle?

Page 91

[1]
[2] A: Same answer.
[3] Q: Did you tell any friends that you
[4] obtained one?
[5] A: Same answer.
[6] Q: Colleagues?
[7] A: Same answer.
[8] Q: If you did tell anybody, I would ask
[9] for their names and addresses?
[10] A: Same answer.
[11] Q: And exactly what you told anybody —
[12] what did you tell anybody who you informed that
[13] you had obtained a 1933 Double Eagle?
[14] A: Same answer.
[15] Q: What did you do physically with the
[16] '33 Double Eagle after you discovered that you
[17] had it?
[18] A: Same answer.
[19] Q: Where did you store it?
[20] A: Same answer.
[21] Q: Did you contact your insurance broker
[22] to increase your insurance after you obtained
[23] the 1933 Double Eagle?
[24] A: Same answer.
[25] Q: Did you safeguard the '33 Double

Page 92

[1]
[2] Eagle in any particular manner?
[3] A: Same answer.
[4] Q: Let me just ask you, apart from the
[5] Double Eagle, do you have a safe in
[6] Knightsbridge Coins?
[7] A: What do you mean, actually within the
[8] shop?
[9] Q: Well, we are sort of on a string of
[10] your invoking the Fifth Amendment to a lot of
[11] questions. I am asking about the '33 Double
[12] Eagle. I am now asking you a question. Taking
[13] the 1933 Double Eagle out of the question, I am
[14] asking in general how do you store coins in
[15] your shop?
[16] A: We have a safe.
[17] Q: You have a safe?
[18] A: Yes.
[19] Q: It is on the premises?
[20] A: Yes.
[21] Q: Do you ever bring coins off the
[22] premises for safe keeping?
[23] A: Yes.
[24] Q: Where would you put coins when you
[25] have to store them off your premises?

A: We would have a safe deposit.
Q: Safe deposit box?
A: Yes.
Q: At a bank, safe deposit box?
A: No, it is actually an exclusive place for safe deposits only.
MR. BERKE: I'm sorry, if you are going back to the line of questions about the '33, I am going to seek to clarify one that — if not, continue.

BY MS. LEVINE:

Q: I was going to ask what circumstances or what factors lead to your decision to bring a coin from the safe on your premises to the safe deposit box?
MR. BERKE: In other words, is there any generalization you can draw from it, your practices?
A: Yes. One, if the safe gets full, because it is not a very large safe; two, if it is a particular coin that I am not going to sell, or coins, immediately, I may put them in the safe deposit, safe keeping, obviously, and just in case somebody tries to come and rob us.

And those are the main reasons.
Q. Which location do you regard to be more secure: the shop or the safe deposit box?
A. I would like to think the safe deposit.
Q: Have you ever been robbed?
A: No.
MS. LEVINE: I am going to return —
MR. BERKE: Okay. I would like to clarify a question he may be able to answer. If your question is has he ever increased his insurance as a result of his insurance coverage as a result of the 1933 Double Eagle including when he brought it into the United States, if that's — I think that's a variation of — I m not sure that's exactly the question you were asking that's a question he could answer.
MS. LEVINE: You know, in general I am not that comfortable with the invocation of the Fifth as a strategic matter. Either he is going to answer my questions about insurance relating to the Double Eagle, whether it is at the time it came in or the time he came into the country or not because I can't — I fail to

understand the distinction between he doesn't want to answer that one or — the distinction between wanting to give an answer to that, to questions about the insurance relating to the double —
MR. BERKE: There is nothing strategic about it. I am going back, your question was unclear to me, your timing of the question. What I am saying, your question about insurance, there is nothing strategic about it. I am trying to be helpful. I think it is in your interests and Mr. Fenton's interest, consistent with what was outlined in the many submissions to the government and to the court.
That being said, I am simply trying to be helpful to that cause by saying if your question is — it may need to be rephrased, but if your question is has he ever increased his insurance relating to his 1933 Double Eagle, including when he brought it into the United States, which I think may be what you intended to ask, then that would be a question which I think would be fine for him to answer.

MS. LEVINE: Well, why don't we take the first thing.
Q: Can you answer that question?
A: What is your question?
Q: The question your counsel thinks it would be fine for you to answer, did you increase your insurance as a result of your possession of the 1933 Double Eagle at the time you were traveling — bringing it to the United States?
A: Did I increase it to bring it over?
MR. BERKE: Yes.
A: To transport, you mean?
MR. BERKE: Yes.
A: No.
Q: Did you increase it at any time prior to that?
A: My insurance?
Q: Yes.
A: No.
MR. BERKE: You mean did he increase it as a result of the 1933 Double Eagle?
MS. LEVINE: Yes.
MR. BERKE: I understand.

Page 97

And your answer was no?
THE WITNESS: My answer was no.
BY MS. LEVINE:
Q: So at no time when you were in possession of the '33 Double Eagle did you contact your insurance broker to increase your insurance?
A: No.
Q: Because of that coin? I am leaving aside you may have acquired other coins that might have caused you to increase your insurance?
A: So what's the actual question you are asking?
Q: I am asking you if you — at any time since you came into possession of the 1933 Double Eagle —
A: Okay.
Q: — did you call, contact your insurance carrier or your broker to specifically ask for an increase in your insurance coverage because of your possession of the '33 Double Eagle?
A: No.

Page 98

Q: Did you safeguard or secure the 1933 Double Eagle in any manner?
A: In what respect?
Q: Where did you keep it, in your Knightsbridge shop or in the safe deposit box?
A: In the safe deposit
Q: In the safe deposit?
A: Yes
Q: Why did you bring it to the safe deposit box?
A: I just thought it was safer there.
Q: You felt safer with it there than in your shop?
A: Yes
Q: Is that because you felt the coin had an extremely high value?
A: Yes
Q: When did you make that decision to bring it to the safe deposit box?
A: Upon the advice of counsel I respectfully decline to answer this question based upon my rights under the Fifth Amendment.
Q: Did you show the 1933 Double Eagle to anybody?

Page 9

A: Same answer.
Q: I mean, by — when I ask you if you showed, I mean, did you personally or did you arrange to have anyone else see it?
A: Same answer.
Q: When did you first decide to sell the 1933 Double Eagle?
A: Same answer.
Q: How did you go about doing that?
A: Same answer.
Q: Did you ever display the '33 Eagle in your coin shop publicly?
A: Do you mean Double Eagle?
Q: The '33 Double Eagle?
A: No, I didn't.
Q: Did you ever in the time that you possessed it display it in any coin show?
A: No, I didn't.
Q: Did you ever bring it to any coin show?
A: No.
Q: Did you ever publicly advertise that you had a 1933 Double Eagle?
A: No.

Page 100

Q: Did you ever inform any other coin dealer that had you a 1933 Double Eagle?
A: Upon the advice of counsel I respectfully decline to answer this question based upon my rights under the Fifth Amendment.
Q: Who did you inform and what did you tell them, what did they say?
A: Same answer.
Q: Who is Mark Emery?
A: Who is he?
Q: Yes.
A: He is a coin dealer.
Q: Does he have a shop?
A: No.
Q: How does he deal coins?
A: He buys coins for his company in Dallas. He lives in Germany.
Q: He lives in Germany. Where does he live?
A: In Germany.
Q: Where Germany?
A: Dusseldorf.
Q: Do you have an address for him?
A: Not on me.

Q: Can you get me one?
A: Yes.
MR. BERKE: We will take the request under advisement.
Q: You mentioned a coin shop in Dallas, coin — you said something about Dallas, Texas. What is Mr. Emery's connection to Dallas, Texas?
A: Yes, their main office is in Dallas.
Q: Whose main office?
A: The company that he works for.
Q: What is that company?
A: The company is called Heritage Rare Coins.
Q: Does Heritage Rare Coins have an office in Dusseldorf, Germany?
A: He is actually the buying agent. It is not an office as such.
Q: How do you know him, Mr. Emery, that is?
A: We have been friends for a long time, for approximately 24 years.
Q: So you consider him a personal friend?

A: Yes
Q: You have done business with him as well?
MR. BERKE: Now, again, just to have a clarification so we can be clear as to what Mr. Fenton is invoking Fifth Amendment rights to you are asking excluding the 1933 Double Eagle?
MS. LEVINE: I can break it down.
MR. BERKE: I would suggest we split it up.
MS. LEVINE: Let's break it down that way.
Q: First, apart from the 1933 Double Eagle, have you done any business with Mr. Emery?
A: Yes, I have.
Q: Can you generally describe the business that you have engaged in with him?
A: Buying and selling of coins.
Q: Over the past 24 years?
A: That's correct, yes.
Q: Does he have any particular field of expertise within coin collecting? Is he an

expert in any particular type of coin or coins of any particular country?
A: I would say American coins.
Q: So you regard him as an expert or as having expertise of some kind in American coins?
A: Yes.
Q: When was the last time you spoke with Mark Emery?
A: Friday, last Friday.
Q: Did you speak with him about this lawsuit?
A: No.
Q: Have you ever spoken with him about this lawsuit?
MR. BERKE: About this —
A: The lawsuit to do with —
MR. BERKE: Right, this — the civil or criminal lawsuit?
MS. LEVINE: Yes.
A: I think upon the advice of counsel I respectfully decline to answer this question based upon my rights under the Fifth Amendment.
Q: Where did you see him last Friday, in

London or Germany?
MR. BERKE: Did you say you saw him?
A: You asked me if I spoke to him. I didn't say I saw him.
Q: You spoke to him over the phone?
A: That's correct.
Q: When was the last time you saw him?
A: I would say about two months ago.
Q: How frequently would you say you speak to him?
A: Every couple of days.
Q: So you communicate with him quite frequently?
A: Oh, yes.
Q: Are most of your conversations of a social nature or business nature, can you —
A: Both.
Q: Now, when you acquired the '33 Double Eagle, did you ever ask Mark Emery if he knew of anyone who would be interested in purchasing the Double Eagle?
A: I think upon the advice of counsel I respectfully decline to answer this question based upon my rights under the Fifth Amendment.

Page 105

[1]
[2] Q: When did you, if you did, when did
[3] you let Mr. Emery know that you had actually
[4] had a '33 Double Eagle?
[5] A: Same answer.
[6] Q: What did you tell him?
[7] A: Same answer.
[8] Q: Did he ever see the '33 Double Eagle
[9] that you had?
[10] A: Same answer.
[11] Q: If I intend to fully inquire about
[12] your conversations with Mr. Emery about the '33
[13] Double Eagle, I am assuming your answer would
[14] be the same?
[15] A: The same.
[16] Q: Did Mr. Emery examine the '33 Double
[17] Eagle and evaluate its authenticity?
[18] A: Same answer.
[19] Q: Did he have anyone else do that on
[20] your behalf?
[21] A: Same answer.
[22] Q: Did Mr. Emery ever express to you any
[23] opinion as to whether the '33 Double Eagle was
[24] legal to privately own in Europe?
[25] A: Same answer.

Page 106

[1]
[2] Q: Or in the United States?
[3] A: Same answer.
[4] Q: Did anyone ever express an opinion to
[5] you about the 1933 Double Eagle and whether it
[6] was legal to own one in the United States?
[7] A: Same answer.
[8] Q. Did Mr. Emery or anyone else you may
[9] have consulted with express any opinion to you
[10] as to whether the 1933 Double Eagle could
[11] legally be imported into the United States?
[12] A. Same answer.
[13] Q. Did Mr. Emery or anyone else put you
[14] in contact with anyone interested in purchasing
[15] the '33 Double Eagle?
[16] A: Same answer.
[17] Q. Who were you put in contact with,
[18] what names or addresses or phone numbers were
[19] you given?
[20] A: Same answer.
[21] Q: Did you talk to any of the people
[22] that were given to you as prospective buyers?
[23] A: Same answer.
[24] Q: Did Mr. Emery mention Jay Perino as a
[25] prospective buyer of the coin?

Page 107

[1]
[2] A: Same answer.
[3] Q: When did he first mention that name?
[4] A: Same answer.
[5] Q: What did he tell you?
[6] A: Same answer.
[7] Q: What if anything did Emery or anyone
[8] else ever tell you about Jay Perino?
[9] A: Same answer.
[10] Q: When was the first time you spoke
[11] with Jay Perino?
[12] A: Same answer.
[13] Q: Was it a conversation?
[14] A: Same answer.
[15] Q: Did you know who he was when you
[16] first spoke to him?
[17] MR. BERKE: If you want to rephrase
[18] that to, if you are interested, outside of any
[19] dealings with the '33 Double Eagle, have you
[20] had any — and prior to this case have you had
[21] any dealings with Jay Perino, that's something
[22] you would get an answer.
[23] BY MS. LEVINE:
[24] Q: Well, I think that's another way of
[25] asking what I asked, but I am fine to have you

Page 108

[1]
[2] answer that question.
[3] Outside of the 1933 Double Eagle
[4] transaction, have you ever had any contact with
[5] Jay Perino?
[6] A: No.
[7] Q: You never did any other business
[8] deals with him?
[9] A: No.
[10] Q: Had you ever heard of him?
[11] A: Yes.
[12] Q: What did you know about him, was it
[13] you had heard about him?
[14] A: He had a company called The Mint that
[15] dealt in rare coins.
[16] Q: Anything else? Did you know anything
[17] else about him?
[18] A: No.
[19] Q: Did anyone, anyone you know ever do
[20] any deals with Jay Perino?
[21] A: I presume some people did, yes.
[22] Q: But, I mean, specifically did you
[23] know of anyone, any of your colleagues who had
[24] bought or sold a coin or coins with Jay Perino?
[25] A: No.

recall, what did you say to him?
A: Same answer.
Q: And what did he say?
A: Same answer.
Q: What did Mr. Perino say when you told him, informed him that you had a '33 Double Eagle?
A: Same answer.
Q: Do you recall Mr. Perino saying in the Waldorf Astoria on February 8th, 1996, that there were only four coins he had never handled and a '33 Double Eagle was one of them?
A: Same answer.
Q: Did Perino ever discuss the coin's authenticity with you?
A: Same answer.
Q: If so, what was said about that?
A: Same answer.
Q: Did you discuss where the coin came from?
A: Same answer.
Q: Did Perino ever tell you that he was acting as a broker or on behalf of a principal during the sale?

A: Same answer.
Q: Did he ever tell you who the ultimate purchaser of the coin was going to be?
A: Same answer.
Q: What terms of sale did you discuss either with or through Mr. Perino for the '33 Double Eagle?
A: Same answer.
Q: By the terms, I mean the price and the method of payment. Are you —
A: Same answer.
Q: What was your initial asking price?
A: Same answer.
Q: How did you determine that and what was it based on?
A: Same answer.
Q: Have you ever sold a single coin for as much as $1-1/2 million prior to the '33 Double Eagle?
A: Same answer.
Q: Was Mr. Emery involved in your discussions with Mr. Perino regarding the sale of the '33 Double Eagle?
A: Same answer.

Q: Was anyone else involved in those discussions?
A: Same answer.
Q: Was Mr. Emery to receive a fee in connection with the sale of the '33 Double Eagle?
A: Same answer.
Q: Did Mr. Perino ask you for an opportunity to inspect the coin, the '33 Double Eagle?
A: Same answer.
Q: Did you ever discuss with Mr. Perino where he or a prospective buyer or anyone cou actually view the coin?
A: Same answer.
Q: What I mean by where, I am asking specifically did you discuss whether the transaction would take place in Europe or the United States?
A: Same answer.
Q: Exactly what did you discuss about that subject?
A: Same answer.
Q: Did you discuss with Mr. Perino how

to make arrangements to import the '33 Double Eagle into the United States?
A: Same answer.
Q: Did he ever ask you how you would be bringing the '33 Double Eagle into the United States?
A: Same answer.
Q: Did you ever tell him that you would be using a misdated form or words to that effect?
A: Sorry, can you repeat?
Q: Did you ever tell him that you would be bringing it in by using a misdated invoice or words to that effect?
A: Same answer.
Q: Did you ever express to Mr. Perino or anyone else you may have been talking to abou this '33 Double Eagle, did you ever express a preference for the buyers to come to Europe f purposes of engaging in a transaction?
A: Same answer.
Q: And if so, why?
A: Same answer.
Q: Was the coin ever physically brought

[1]
[2] broker you used to bring coins in?
[3] A: Mostly, yes.
[4] Q: Have you used another service?
[5] A: Yes.
[6] Q: Which service would that be?
[7] A: We used another company, I think
[8] about two or three years ago. I don't recall
[9] the name of it.
[10] Q: So it is mostly Jet Air?
[11] A: Yes.
[12] Q: Primarily Jet Air?
[13] A: Yes.
[14] Q: Now, getting back to this importation
[15] that we are talking about, do you specifically
[16] recall making telephone call to Larry Baker?
[17] A: No, I — would have been myself or
[18] Jim Brown, but I think it was probably myself.
[19] Q: But do you, as we sit here today,
[20] have any independent recollection of that phone
[21] call?
[22] A: Of who made the phone call?
[23] Q: Yes. I mean, you are saying things to
[24] me like "I would have" or "it would have been"
[25] I am asking you to tell me what you actually

[1]
[2] remember. Do you remember picking up the phone
[3] and speaking to Larry Baker about this trip?
[4] A: I can't recall if it was myself or
[5] Jim Brown. But it would have been one of us
[6] Q. So you don't have an independent
[7] recollection of the phone call?
[8] A. No
[9] Q. Okay. Can you tell me what the
[10] conversation that you would have had with him?
[11] A. The conversation would have been we
[12] are coming in on a British Airways flight, give
[13] the flight number, date we are coming in, time
[14] we are coming in. That's the information I
[15] would have given him. And I would have faxed
[16] ahead a copy, a list of what we would be
[17] bringing in.
[18] Q: You are basing that on your general
[19] experience, or your general practice, rather?
[20] A: That's what we do, yes.
[21] Q: Did you tell Mr Baker what specific
[22] coins you were bringing in?
[23] A: No, I didn't.
[24] Q: Did you tell him that one of the
[25] coins was a 1933 Double Eagle?

[1]
[2] A: No, I didn't.
[3] Q: By the way, did you speak with anyone
[4] else at Jet Air for this transaction? Do you
[5] recall having a conversation with any other
[6] employee of Jet Air about this importation?
[7] A: No, I don't.
[8] Q: Did you tell Mr. Baker one of the
[9] coins you were bringing in was going to be sold
[10] for $1-1/2 million?
[11] A: Sorry, can you repeat that?
[12] Q: Did you tell Mr. Baker that among the
[13] coins that you were importing into the United
[14] States was one that was going to be sold for
[15] $1-1/2 million?
[16] MR. BERKE: I would object to the
[17] form of the question. If you want to break it
[18] down, did you believe — I object to the form
[19] of the question.
[20] Q: Well, do you understand what I am
[21] saying? I am asking you, did you inform
[22] Mr. Baker that one of the coins you were
[23] importing was a gold coin that was going to be
[24] sold for $1-1/2 million?
[25] A: No, I didn't.

[1]
[2] Q: Or was worth — a coin worth a value
[3] of close to $1-1/2 million?
[4] A: No.
[5] Q: Did Mr. Baker ask — what information
[6] did he ask for if any?
[7] A: What, on the telephone?
[8] Q: Well, first on the telephone.
[9] A: He doesn't ask for any specific
[10] information. We just fax him a list which we
[11] have been doing for many years and he fills out
[12] the required documents —
[13] MR. BERKE: You mean any specific
[14] information other than what you have already
[15] described about the flight you are going to be
[16] on?
[17] THE WITNESS: That's right, yes.
[18] Q: So in connection with whatever
[19] customs forms he needs to fill out, he just
[20] gets — he gets this thing that you fax him and
[21] that's it?
[22] A: That's correct.
[23] Q: Did you specifically need to tell
[24] Mr. Baker the country of origin for these coins
[25] that you were bringing in?

Page 161

A: Yes, we do.
Q: Let me show you what's been marked already as Government Exhibit 3?
MR. BERKE: We have been marking exhibits consecutively so we have just been chosen to call all exhibits exhibit.
MS. LEVINE: Yes, already marked at a previous occasion.
Q: Just take a look at that document, tell me whether you recognize it.
A: No.
Q: Have you ever seen it before?
A: No.
Q: Does the contents of it at all refresh your recollection of whether you had a conversation with Mr. Baker in February 7, and I will say 1996?
A: Apart from the fact "phoned Steve," I don't know if that was referring to me or not.
MR. BERKE: The question is not what you would infer from this document, but whether looking at it gives you an independent recollection that it was you who had this call with Jet Air

Page

Q: Did you send it personally?
A: I think it may have been Jim Brown actually sent it.
Q: Let me show you what's been marked as Government Exhibit 4, if you could look through these two pages. First tell me if you recognize the document?
A: I do indeed, yes.
Q: What do you recognize it to be?
A: These would be the two documents that we would fax to Jet Air Service.
Q: First one, first page is on the letterhead of Knightsbridge Coins, right?
A: I'm sorry?
Q: The first page is your letterhead of Knightsbridge Coins?
A: That's right, yes.
Q: It is a letter signed by Jim Brown to Larry Baker?
A: That's correct.
Q: Just if we could look at the second page, is this a document that Jim Brown prepared?
A: Yes, it is.

Page 162

A: I can't remember exactly.
Q: Now, do you see where it says, the sixth line down in this box, we will fax invoices?
MR. BERKE: Say yes or no
A: Oh, sorry. Yes
Q: Did Mr. Baker request that you send an invoice in connection with the importation?
A: We always offered to, yes.
Q: Do you know why he needs an invoice in connection with the importation?
A: Yes
Q: What does he need that for?
A: Then can he prepare the paperwork before we arrive just to speed things up when we are at the airport.
Q: What information does he need to take off the invoice, do you know?
A: He just needs to know country of origin, quantity of coins, the metals and the values
Q: Do you recall sending Jet Air an invoice in connection with this importation?
A: Did I send it myself personally?

Page 1

Q: You didn't prepare it? Or did you prepare it?
A: I didn't type it, no.
Q: Okay. But did you provide the information that was to go in it?
A: Yes, I did.
Q: How did that work? How did you convey to — well, who typed it?
A: Jim Brown.
Q: How did you convey to him the information that should go in?
A: I would say to him here is the information, can you please type it out for me.
Q: So you wrote it out in longhand and gave to it him to type?
A: Yes.
Q: So you drafted it and he was literally the typist?
A: Yes, that's correct.
Q: Okay.
MR. BERKE: Do you remember, just to clarify, do you remember whether you gave it to him in writing or orally? Because the question said — gave an example of longhand. If you

[1]
[2] remember.
[3] THE WITNESS: I don't. It could have
[4] been orally. It could have been written down.
[5] BY MS. LEVINE:
[6] Q: But either way, this information came
[7] from you and was not supplied by Jim Brown?
[8] A: That's correct.
[9] Q: You are positive of that?
[10] A: Yes.
[11] Q: Of that aspect, whether you gave it
[12] to him orally or in writing?
[13] A: Yes, I provided the information.
[14] Q: Okay. Did you review this letter
[15] before it went out to Larry Baker, was sent?
[16] A: Yes.
[17] Q: Do you see on this invoice, the
[18] second page, there is the numbers, the quantity
[19] numbers are handwritten in?
[20] A: Yes.
[21] Q: So, you know, it is 72 gold, three
[22] silver, next line says 22 gold, six silver.
[23] Whose handwriting is that?
[24] A: That's Jim Brown's.
[25] Q: Those numbers, did you give those

[1]
[2] numbers to him or again did he supply them
[3] himself?
[4] A: I gave him the numbers.
[5] Q: The same would be true about the
[6] value, the values?
[7] A: Yes.
[8] Q: What did you base the value numbers
[9] on?
[10] A: On anything specifically?
[11] Q: Well, yes. In other words, let's
[12] just take for example the first line says
[13] 1 S A coins?
[14] A: Right.
[15] Q: You are bringing 72 gold, three
[16] silver?
[17] A: Right.
[18] Q: For a total, it says here, the total
[19] value, 265,000 British pounds?
[20] A: Right.
[21] Q: What did you base your valuation of
[22] the 75 United States coins on?
[23] A: This was based on a price that I
[24] would have been prepared to sell them for.
[25] Q: Okay. I take it one of the 72 gold

[1]
[2] coins in here was the 1933 Double Eagle?
[3] A: That's correct, yes.
[4] Q: Isn't it true that you were coming in
[5] for, among other purposes, but one of the
[6] purposes of coming to the United States was to
[7] sell the 1933 Double Eagle coin for more than
[8] $1 million?
[9] A: Well, this figure of more than $1
[10] million I had never heard of at all until after
[11] my arrest. I had never seen this figure, heard
[12] of it. I didn't know where it came from at
[13] all.
[14] Q: What did you understand was going to
[15] be the terms of the deal for selling the —
[16] MR. BERKE: Well, I would object to
[17] the form. If you wanted to ask first did you
[18] understand that you had a confirmed sale for
[19] the coin first?
[20] MS. LEVINE: Well, I think I asked
[21] that question six different ways, upside and
[22] downwards before and the Fifth Amendment was
[23] invoked. If we are now going back and we are
[24] prepared to answer questions, I want to start
[25] over because I am not back-dooring into it.

[1]
[2] MR. BERKE: I don't want to back
[3] door, but why don't you ask — I am not going
[4] to tell you what to ask, but if you were to ask
[5] the question how did you determine the value
[6] used on this form —
[7] MS. LEVINE: I asked that question,
[8] that was exactly —
[9] MR. BERKE: You didn't ask him for
[10] the '33 Double Eagle specifically.
[11] MS. LEVINE: Look, I don't want to
[12] play games here.
[13] MR. BERKE: But you asked him how did
[14] he determine it for all the coins. If you want
[15] to ask specifically, which I think is
[16] responsive to your question, how did he
[17] determine the value for the '33 Double Eagle,
[18] he can provide an answer.
[19] MS. LEVINE: I want to ask my
[20] question and I will ask your question.
[21] MR. BERKE: Fine.
[22] BY MS. LEVINE:
[23] Q: My question is, how did you determine
[24] the value that you put here on the form which
[25] is an aggregate value, I assume, 265 pounds

[1]
[2] refers to all the coins, U.S.A. coins, I want
[3] to know how did you determine that value, how
[4] did you come up with that number? You got 75
[5] coins, how did you come up with that number?
[6] A: On the U.S. coins?
[7] Q: Yes.
[8] A: This would be a price that I would be
[9] willing to sell them for.
[10] MR. BERKE: Why don't you describe
[11] specifically the mechanics, and why don't you
[12] begin with the '33 Double Eagle, then describe
[13] the rest of the coins to the extent you can.
[14] THE WITNESS: Okay.
[15] MR. BERKE: More specifics. That's
[16] what the question is asking.
[17] A: Would you like me to give you a
[18] description of how I came to the price on the
[19] '33 Double Eagle?
[20] Q: Yes, right, as well as the other
[21] coins
[22] A: Well, that was not easy. What I did
[23] was to determine a price, I had to try and find
[24] a similar type of coin, so I looked in the
[25] American Red Book which is the catalog with all

[1]
[2] MR. BERKE: Wait. Are you saying
[3] yes, you understand the question, or — are you
[4] done with the question?
[5] Q: The question is, weren't you going to
[6] the United States to attend a meeting at the
[7] Waldorf Astoria for the purpose of selling the
[8] '33 Double Eagle?
[9] MR. BERKE: Okay. I am going to ask
[10] for that question to be read back.
[11] (Record read)
[12] A: The question before that was
[13] answering — which was formed put in another
[14] way, you are saying —
[15] MR. BERKE: I just want to clarify
[16] the record. Can you read the question before
[17] that? Because I think there was — I didn't
[18] understand that there was a question asked by
[19] Ms. Levine.
[20] (Record read)
[21] MR. BERKE: Okay. I would just like
[22] to clarify and go back. I just want to make
[23] sure that everything is done and there is an
[24] understanding, especially given the Fifth
[25] Amendment assertions and other issues that are

[1]
[2] coins listed to look at a similar type of coin,
[3] and the nearest thing I could find was the 192[illegible]
[4] D Double Eagle which was quite a rare coin
[5] which had a catalog value of I think it was
[6] $225,000
[7] but I figured this piece was better
[8] and was worth, you know, a bit more. So I
[9] based my value around three hundred, $350,000
[10] which would be a price that I would have
[11] accepted for the coin
[12] MR. BERKE: If you can describe — if
[13] you want to complete the answer and describe in
[14] the aggregate the remainder coins to the best
[15] of your knowledge —
[16] MS. LEVINE: Let me just interrupt
[17] you and I will get back to the other coins.
[18] Q: When you say that was a price you
[19] were prepared to accept for the coin, isn't the
[20] fact that you were heading right to the Waldorf
[21] Astoria to sell the coin to engage in what you
[22] believed to be a sale of the coin, isn't that
[23] the fact?
[24] A: Yes
[25] Q: What did you —

[1]
[2] obviously on the table today at the deposition,
[3] and I would ask, I believe the question, which
[4] is virtually identical, is now an open question
[5] regarding the sale of the coin.
[6] There is a "yes" in there. I did not
[7] understand or I would have interjected. I am
[8] asking for us to stop, that the question had
[9] been done and the question had been posed, so I
[10] just want to make sure for the record that we
[11] are now considering this question and whether
[12] it is a proper question, whether Mr. Fenton can
[13] answer. I would like a moment.
[14] (Pause)
[15] MS. LEVINE: Okay. I am just trying
[16] to figure out where you think we are. You want
[17] a moment with him to decide whether he can
[18] answer that question?
[19] MR. BERKE: Yes.
[20] MS. LEVINE: Presumably to talk about
[21] whether you are going to invoke the Fifth?
[22] MR. BERKE: Only privilege issues,
[23] can't talk about the substance.
[24] MS. LEVINE: Go ahead.
[25] MR. BERKE: That's all.

Page 189

are looking at it now of having received it before?

A: No, but it is not — I'm sure —

Q: Do you know what it is?

A: Yes, it is something the customs broker submits to customs.

MR. BERKE: Why don't you expound — similar to forms that you receive, what you mean by that.

A: Well, what I will get normally is a couple of forms looking like this and the bill on the top. The only thing — well, the main thing I concentrate on is the bill, how much the bill is that I have been sent. Then I will look and there will be a couple of these bills — couple of these documents. That's it.

Q: Because this is a form that the customs broker fills out on your behalf, is that right?

A: Right.

Q: You did not, you or your employee, Jim Brown, did not fill this form out?

A: No

Q: Can you look under the box that's

Page 190

numbered 19, it has the total value, 742?

A: Yes

Q: 742,851?

A: Yes

Q: Do you know where that number comes from?

A: Yes

Q: Where?

A: It is the amount that we brought into the country

Q: I take it this is a conversion of the pounds into dollars?

A: That's correct

Q: Do you supply that to Jet Air or do they do the conversion for you?

A: That's a good — I presume they would have done the conversion because we have submitted it in pounds

Q: So, again, this reflects that the total value of all coins you were bringing in on this trip was 742,000 approximately?

A: That's correct

Q: Isn't this an inaccurate figure, Mr. Fenton?

Page 191

A: No.

Q: Isn't it the case that you were about to sell the 1933 Double Eagle for more than $1 million?

MR. BERKE: Well, the question was, is this an inaccurate figure, no. Next question, were you about to sell this for $1 million?

THE WITNESS: This is answering —

MR. BERKE: Right.

A: Upon the advice of counsel, I respectfully decline to answer this question based upon my rights under the Fifth Amendment.

Q: You would agree with me that if you were, on the 8th, about to enter into a deal to accept $1-1/2 million for one of the one hundred coins you were bringing in, that it would be inaccurate to say that all the coins were worth $742,000?

A: Same answer.

MR. BERKE: Well, I think there is — there is a hypothetical there that might — I am just going to consult.

(Pause)

Page 192

MR. BERKE: May change after four o'clock, but Mr. Fenton will assert his Fifth Amendment rights.

A: Upon the advice of counsel, I respectfully decline to answer this question based upon my rights under the Fifth Amendment.

Q: The information that you give to the customs broker regarding the coins that you are importing, what is your understanding as to what the customs broker is going to do with that information?

A: Sorry, can you just repeat?

Q: When you supply information to a customs broker about coins that you are importing into the United States, what is your understanding as to what the customs broker does with that information?

A: I believe he — I think makes an entry, customs entry and feeds it into the computer.

Q: When you say makes a customs entry, you mean fills out forms that are being submitted to the United States Customs Service?

A: That's correct, yes.

Page 193

Q: So would you say it is important that the information be accurate?
A: Yes.
Q: And value is one of the pieces of information that you need to supply United States Customs, is that right?
A: That's correct.
Q: Let me ask you to take a look at what's been marked as Government 6 and ask you as you are looking at it to tell me if you have ever seen it before?
(Pause)
Q: Have you seen this document before?
A: I saw this document after my arrest. I had never seen this document prior to my arrest. I thought it was a document made up by the government. I had never seen anything like that, especially with these dates on it. I thought it was a total fabrication made by the government and I had never seen this before.
Q: What do you mean you thought it was a document made up by the government?
A: Well, with these dates on it, 1830 and 1932. I have never seen this document. I

Page

A: The dates that — seemed strange dates, between 1830 and 1932 —
Q: What was strange to you —
MR. BERKE: Let Mr. Fenton finish his answer first, then you can ask —
MS. LEVINE: Because it is my deposition and I am entitled to ask the questions the way I want to ask him.
MR. BERKE: You asked a question. The witness is permitted the opportunity to finish the answer.
MS. LEVINE: He paused and I want to take it factor by factor.
MR. BERKE: You may have follow-up but the witness is not done. You know that as well as anyone. The witness has the opportunity to finish. If he is done — are you done?
THE WITNESS: No.
MR. BERKE: Please continue.
THE WITNESS: Shall I continue?
MR. BERKE: Yes.
THE WITNESS: Okay. It's strange to me, the dates on there, 1830 and 1932, when the

Page 194

had never seen it prior to my arrest.
Q: Can you clarify your statement that you thought it was a document made up by the government? What made you think that?
A: Well, because I had never seen a document like this submitted to me by Jet Air. So suddenly why this should appear out of thin air I don't know. In all the years I have dealt with Jet Air I have never seen a document like that and suddenly one appears from — by magic to do with this case.
Q: Was there anything that you can articulate to me that caused you to think the government made up this document?
A: Well, one thing —
MS. LEVINE: You don't go down the path and then pull —
MR. BERKE: You can ask — it seems kind of silly. You can answer.
A: No, no, just the dates that were on it, the —
MR. BERKE: Let Mr. Fenton finish his answer
Q: Fine. Go ahead.

Page 1

United States Government has been making gold coins from 1795, I think it is, right through to the 1990s.
And also there is such things as three dollar pieces, one dollar pieces. Why aren't these on here as well? I have no idea what an Independence coin is. So just seemed a very, very strange document to appear out of nowhere.
BY MS. LEVINE:
Q: You think there is no significance, numismatically speaking, to the dates 1830 to 1932?
A: No.
Q: They don't correspond with anything you can think of?
A: Nothing whatsoever.
Q: You have never heard of an Independence coin, are you saying?
A: Yes, that's what I am saying.
Q: It is your understanding that there are solid gold coins in circulation that are dated past 1932?
A: There are solid gold coins struck by

A: I had seen pieces, yes, being offered for sale in auction catalogs that were ex-Farouk.

Q: So you had seen other ex-Farouk coins offered for auction by other dealers besides Spink & Son?

A: Oh, yes.

Q: What coins had you seen?

A: I can't — I am just trying to think.

MR. BERKE: If you can recall.

Q: Yes, just generally the types of coins. You mentioned some types that you purchased. I am just —

A: Oh, I saw some American coins and — they were the main thing.

Q: How do you know they were ex-Farouk coins?

A: Because it would say so.

Q: Because they were advertised as such?

A: Yes.

Q: Did you know anything about how the Farouk collection came to be dispersed?

A: Yes.

Q: What did you know about it?

A: It was in an auction.

Q: They had been auctioned off? And where did that auction take place, do you know?

A: In Egypt.

Q: Did you know anything — and the time frame I am asking about is really up to the time you acquired the '33 Double Eagle. Had you learned or heard from any source anything about how King Farouk had acquired a '33 Double Eagle?

A: No.

Q: You didn't know anything about how that coin had come to be in his collection?

A: No.

Q: Moving to another topic. When you brought the 1933 Double Eagle into the United States in February of 1996?

A: Yes.

Q: One of the purposes of your trip was to go to the Waldorf Astoria with Mr. Perino, is that right?

A: I was going to meet Mr. Perino, yes, at the Waldorf Astoria.

Q: Meet him at the Waldorf Astoria?

A: Yes, that's correct.

Q: And that at that meeting you were going to hopefully engage in a transaction to sell the 1933 Double Eagle?

A: I was taking the piece there to show it to a prospective buyer for him to look at it.

Q: Had you discussed the price that would be paid for the 1933 Double Eagle prior to the meeting at Waldorf Astoria?

A: Yes. There was a price discussed.

Q: With Mr. Perino?

A: That's correct.

Q: What was the price, what did you discuss with him?

A: The price that was being mentioned was 825,000 U.S. dollars.

Q: That was the price mentioned as the price that was going to be offered?

A: That was the price that we discussed.

MR. BERKE: Well, just be clear. When you say offered, you mean is that the price Mr. Fenton was saying that had to be paid

or vice versa?

BY MS. LEVINE:

Q: Well, was that the asking price, was that your asking price?

A: Yes, that was a price that I mentioned.

Q: What price did Mr. Perino mention?

A: That was the price. He didn't mention a price. I just gave a price. That was it.

Q: So the valuation provided to Mr. Baker for the customs form was substantially lower than the price you were asking for the coin?

A: Well, what I did was I based my valuation for Mr. Baker upon what I would accept for the coin, that if — what I would have taken, which is based on what it had cost me and a profit on top of it, because the figure of 825,000 was not a sale.

I didn't know if I was going to get that price for it. He — they could have looked at the coin, said the coin wasn't nice enough, didn't want to pay that price, want to

[1]
[2] pay a lot less. So it was not a confirmed
[3] sale.
[4] Q: Did your undervaluation — well, did
[5] your valuation of the coin — did it inure to
[6] your benefit to make the value lower for the
[7] purposes of customs?
[8] MR. BERKE: I would object to the
[9] form of the question as argumentative, but you
[10] may answer if you want to continue.
[11] BY MS. LEVINE:
[12] Q: Is there any benefit, was there any
[13] benefit to you to having a lower valuation?
[14] MR. BERKE: Again, I would object to
[15] the form of the question.
[16] MS. LEVINE: I don't know what the
[17] objection — fine. If you understand what I am
[18] saying —
[19] Q: Was there any benefit to you,
[20] monetary or otherwise, to be importing coins of
[21] lower value?
[22] MR. BERKE: Object to the form of the
[23] question.
[24] THE WITNESS: May I answer?
[25] MR. BERKE: If you understand you

[1] may
[2] A. You are asking me would it make any
[3] difference to me to put a lower figure on it
[4] for any reason?
[5] Q. Yes.
[6] A. No.
[7] Q. So even though you were discussing —
[8] did you come to the United States to discuss a
[9] transaction where 825,000 — you put the value
[10] of the coin at 300,000?
[11] MR. BERKE: I think that misstates
[12] the testimony.
[13] Q. I think that's — well, is that
[14] right? You estimated the value of the coin for
[15] the purposes of disclosure to the United States
[16] Customs office to be in the neighborhood of
[17] $300,000?
[18] A. That's what I was going to — yes.
[19] Q. but you were in your mind intending
[20] to ask $825,000 for it?
[21] A. That was a price, yes, that had been
[22] mentioned.
[23] MS. LEVINE: Now, I just received
[24] answers to certain discussions had with Mr.

[1]
[2] Perino and I would like to probe further.
[3] MR. BERKE: No, but I thought we had
[4] an understanding that the questions regarding
[5] his state of mind and importing the coin would
[6] be proper and —
[7] MS. LEVINE: Okay.
[8] MR. BERKE: That was the guidance.
[9] And I didn't restate all your questions, but I
[10] think that was our understanding about his
[11] state of mind.
[12] MS. LEVINE: Okay. Well, let me,
[13] then, do it this way because I don't want to
[14] redo and redo and spend the rest of the day
[15] doing this.
[16] MR. BERKE: I think if the
[17] question — well, go ahead. I'm sorry. I will
[18] let you go.
[19] MS. LEVINE: No, what I was going to
[20] say is that we have taken the deposition, we
[21] have a record, I have now gone over, I believe,
[22] all the questions that Mr. Berke has pointed
[23] out to me to be areas that Mr. Fenton would now
[24] waive his Fifth Amendment right and answer.
[25] I am going to give you an opportunity

[1]
[2] now to tell me if there is any other area that
[3] I haven't asked about where you would now waive
[4] the Fifth, and if not, then we have our record
[5] and I am going to assume that the Fifth
[6] Amendment is asserted.
[7] And I also reserve rights, to the
[8] extent we have any dispute about that later on,
[9] obviously, I reserve the government's rights,
[10] but I just do not want to be in a situation
[11] where I at some later point in litigation refer
[12] to this transcript and the invocation of the
[13] Fifth and I am told well, no, we waived our
[14] Fifth on that point, we are prepared to answer,
[15] so just to be clear.
[16] MR. BERKE: I believe Ms. Levine and
[17] I are on the same page because we have had
[18] discussions both on and off the record which we
[19] have — I have tried in an informal way to
[20] point out areas that I thought related to the
[21] topics which I would describe generally as
[22] being areas, after the hearing before Judge
[23] Hellerstein, that he was prepared to answer
[24] questions without invoking his rights under the
[25] Fifth Amendment.

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

Form Approved
OMB No. 15

ENTRY/IMMEDIATE DELIVERY

JET AIR SERVICE, INC.
CARGO BDG 80 JFK AIRPORT

JAMAICA NY 11430

AGI Co
C.H. B
Broker Code

19 CFR 142.3, 142.16, 142.22, 142.24

1. ARRIVAL DATE	2. ELECTED ENTRY DATE	3. ENTRY TYPE CODE/NAME	4. ENTRY NUMBER
020798		01 (Consumer)	609-0253
5. PORT	**6. SINGLE TRANS. BOND**	**7. BROKER/IMPORTER FILE NUMBER**	
4701		253275	
	8. CONSIGNEE NUMBER		**9. IMPORTER NUMBER**
	943901-00564		Same

10. ULTIMATE CONSIGNEE NAME	11. IMPORTER OF RECORD NAME
KNIGHTSBRIDGE COINS 43 DUKE STREET LONDON, ENGLAND UK SW1Y6DD	Same

12. CARRIER CODE	13. VOYAGE/FLIGHT/TRIP	14. LOCATION OF GOODS-CODE(S)/NAME(S)
BA	003	E793 BRITISH AIRWAYS

15. VESSEL CODE/NAME	
BRITISH AIRWAYS	

16. U.S. PORT OF UNLOADING	17. MANIFEST NUMBER	18. G.O. NUMBER	19. TOTAL VALUE
4701			742

20. DESCRIPTION OF MERCHANDISE
U.S. & FOREIGN GOLD COINS

21. IT/BL/AWB CODE	22. IT/BL/AWB NO.	23. MANIFEST QUANTITY	24. H.S. NUMBER	25. COUNTRY OF ORIGIN	26. MANUFACTURER
M	12500000000		7118.90.0089	GH	GBKNTCO
H	HANDCARRY		7118.90.0019	AU	GBKNTCO
			9801.00.1098	US	GBKNTCO

27. CERTIFICATION	28. CUSTOMS USE ONLY
I hereby make application for entry/immediate delivery. I certify that the above information is accurate, the bond is sufficient, valid, and current, and that all requirements of 19 CFR Part 142 have been met.	☐ OTHER AGENCY ACTION REQUIRED, NAMELY:
SIGNATURE OF APPLICANT X JET AIR SERVICE, INC	
PHONE NO. 718-656-7430 / DATE 2/07/96	☐ CUSTOMS EXAMINATION REQUIRED.
29. BROKER OR OTHER GOVT AGENCY USE Exam Bill: E793 BRITISH AIRWAYS (BA Container #	☐ ENTRY REJECTED, BECAUSE:
	DELIVERY AUTHORIZED: / SIGNATURE

Paperwork Reduction Act Notice: This information is required to determine the admissibility of imports into the United States and to pro information for the examination of the cargo and to establish the liability for payment of duties and taxes. Your response is necessary.

Customs Form

324-15: WELL, I'LL SEE WHAT I CAN DO, I DON'T KNOW IF I COULD GET MY PERSON TO GO OVER SEAS OR NOT. I KNOW HE WANTS THE COIN,

JASPER: WELL, OH YEAH

324-15: AND AH HE'S GOT THE MONEY AND AH, YOU KNOW I, BUT I DON'T KNOW IF HE'LL GO OVER THE SEAS TO PICK IT UP OR NOT.

JASPER: WELL, LET ME TALK TO THEM HERE, MATTER OF FACT LET ME TRY TO CALL THEM RIGHT NOW AND SEE.

324-15: AND IF YOU RATHER WAIT AND TALK ABOUT IT MORE IN DEPTH IN PERSON. DOWN THERE.

JASPER: YEAH I MAY WANT TO DO THAT.

324-15: WE WOULD PROBABLY BE BETTER OFF TO DO THAT.

JASPER: OK, I AM GOING TO CALL THEM RIGHT NOW AND SEE IF THEY COME UP WITH ANYTHING.

324-15: OK, AND I'M GONNA BE, I'M GOING TO LEAVE HERE ABOUT 4:30PM AND BE GONE FOR A COUPLE OF HOURS BUT I'LL BE BACK AFTER THAT AND I'M GONNA BE HOME ALL WEEKEND AS FAR AS I KNOW.

JASPER: ALRIGHT

324-15: (THERE IS SOME STATIC) (HE SAY'S) I WONDER WHAT THAT NOISE IS?

JASPER: WELL, IT'S NOT MY END I'M TALKING TO YOU ON A PLAIN LINE THAT DON'T HAVE NOTHING ON IT.

324-15: WHAT THIS NOISE HERE, .H THE NOISE HERE AT THIS SHOP.

JASPER: ANY HOW, LET ME CHECK ON IT. LET ME SEE WHAT WE CAN DO.

324-15: OK.

JASPER: DID YOU EVER LOOK UP THAT ONE PISTOL?

324-15: THAT CODE.

JASPER: YEAH

324-15: YEAH, IT WAS MADE IN 1897 ONE YEAR BEFORE THEY STARTED MAKING SMOKE LESS POWDERED GUNS.

JASPER: OH, THAT'S RIGHT YOU TOLD ME THAT. WHAT'S THAT THING WORTH?

324-15: AND UH, THEY DIDN'T MAKE THAT MANY 4 AND 3/4 INCH BARREL ONES, AND A ESPECIALLY IN NICKEL. YOU KNOW, COURSE I WOULD HAVE TO LOOK AT IT TO SEE IF IT'S A FACTORY I COULD TELL JUST BY LOOKING AT IT.

JASPER: RIGHT

324-15: IT'S WORTH AND WHERE FROM A $800 TO $2500 DOLLARS DEPENDING ON HOW IT LOOKS.

JASPER: YEAH RIGHT

324-15: IT COULD BE EVEN WORTH MORE.

JASPER: IT'S NOT MINT, THAT'S FOR SURE.

324-15: OH WELL NO, YOUR THE MINT.

JASPER: YEAH I'M THE MINT. ALRIGHT JACK LET ME TALK TO THEM AND SEE.

324-15: THE THING OF IT IS, AND I WILL JUST PUT IT TO YOU FLAT OUT.

JASPER: YEAH

324-15: WE WOULD LIKE TO PAY LESS, UH IF THEY REQUIRE A MILLION IN HALF I'M SURE YOU WERE GOING TO MAKE SOMETHING OUT OF THAT WEREN'T YOU?

JASPER: WELL, ACTUALLY I WAS JUST GOING TRY TO PUT YOU GUYS MAYBE TOGETHER. UH, UH, I DON'T, I DON'T, THAT THAT IS THE PRICE, YOU KNOW, THE PRICE I QUOTED YOU IS THE PRICE THEY QUOTED ME, BUT THAT, YOU KNOW, WE HAVEN'T REALLY GOT INTO NEGOTIATIONS OR NOT. IF I AM INVOLVE YEAH I WANT TO MAKE SOMETHING BUT, IF I'M NOT INVOLVED I DON'T CARE. I DON'T NEED TO MAKE IT.

324-15: BUT, WILL JUST DO WHAT EVER WE HAVE TO DO, BUT, I'M ALMOST CERTAIN THAT MY PERSON WILL NOT GO OVER SEAS.

JASPER: YOU ARE?

324-15: YEAH, BUT, MAYBE THAT'S SOMETHING WE NEED TO TALK ABOUT.

JASPER: WELL, LET ME SEE WHAT I CAN FIND OUT.

324-15: IF WE GOT THE SUITCASE, OR THE SMALL BRIEFCASE OR WHATEVER FULL OF STUFF TO HAND TO YOU IT LOOKS LIKE THAT YOU KNOW

JASPER: YEAH BUT, YEAH, BUT, YOU GOT ALLOT OF THINGS THAT YOU KNOW THAT YOU DON'T HAVE OVER HERE. YOU GOT BOARDING REQUIREMENTS HEAR THAT YOU DON'T HAVE OVER THERE, YOU GOT OTHER THINGS THAT YOU HAVE OVER THERE THAT WE DON'T HAVE OVER HERE.

324-15: YEAH BUT, IF THERE PAYING IT OVER THERE THEY DON'T HAVE THAT REQUIREMENT OVER THERE DO THEY?

JASPER: NO, BUT THAT'S WHY THEY WANT TO DO IT OVER THERE. IT'S JUST A NORMAL DEAL OVER THERE.

324-15: WELL, SEE WHAT YOU CAN FIND OUT.

JASPER: YEAH I WILL, I'M GOING TO CALL THEM RIGHT NOW.

324-15: AND LET ME KNOW.

JASPER: I WILL

324-15: ALRIGHT BYE AND THANK YOU.

324-15: BYE, 12/15/95, 2:15PM.

(THIS IS THE SECOND PHONE CALL ON THE SAME TAPE.)

324-15: OH HI JACK

JASPER: HOW ARE YOU DOING?

324-15: ALRIGHT, I HAVE SOME DIFFERENT NEWS AND IT MIGHT BE ABLE TO HELP YOU SOME.

JASPER: GOOD, I NEED IT

324-15: DO YOU REALLY,

JASPER: YES,

324-15: ARE YOU ALREADY HAVING BAD WEATHER UP THERE?

JASPER: YEAH IT'S JUST NOW STARTING.

324-15: WE HAVE ABOUT FOUR INCHES OR FIVE INCHES ON THE GROUND AND IT'S STILL SNOWING. I WAS GOING TO DRIVE TOWARD UTAH TOMORROW BUT I DON'T KNOW. WE WANTED TO GO UP THERE FOR CHRISTMAS, WE PROBABLY DON'T NEED TO BUT, WE WANTED TO BUT ANY WAY MY PERSON HAS AGREE TO WIRE A TRANSFER OR HAVE A THAT COULD BE HANDLED INSTEAD OF CASH, IF THAT WOULD HELP?

JASPER: THAT WOULD HELP IMMENSELY

324-15: BUT UH, HE WANTS IT DONE HERE. HE IS NOT GOING OUT OF THE UNITED STATES.

JASPER: OK

324-15: NOW, DOES THAT MAKE A DIFFERENCE?

JASPER: HERE WHAT, I CAN HAVE THE COIN DELIVERED HERE.

324-15: TO YOU?

JASPER: WELL, HERE.

324-15: WELL, OK, OK

JASPER: OK I GOT THAT PART WORKED OUT.

324-15: ALRIGHT

JASPER: OK

324-15: WELL, I GOT THIS OTHER PART WORKED OUT.

JASPER: WELL, GOOD, CAUSE THAT WAS A BIG HANG UP THE CASH PART

324-15: WELL, I TOLD THE GUY, I SAID LOOK A THERE HAVING A PROBLEM WITH THE CASH AND I SAID À I THINK MAYBE WE CAN GET IT DONE HERE IF YOU'LL JUST AGREE TO A WIRE TRANSFER. WITH A WIRE TRANSFER BE LIKE TO SOME BANK HERE IN THE UNITED STATES?

JASPER: NO, IT WOULD BE PROBABLY OVER SEAS

324-15: OK

JASPER: NOW, THEY DON'T WANT TO LET GO OF THE COIN TILL THEY GOT THE MONEY.

324-15: WELL AH

JASPER: NONE OF US WANT TO GO OVER SEAS. MAYBE YOU DON'T CARE BUT

324-15: NO, I DON'T

JASPER: I DON'T WANT TO EITHER

324-15: I HAVE BEEN OVER THERE TWICE AND I DON'T EVER WANT TO GO CARE TO GO BACK.

JASPER: (HE IS LAUGHING WHILE 324-15 IS TALKING) SO WHAT I'M GOING TO TRY TO DO IS, THE ONLY OTHER PROBLEM THAT WE GOT— JASPER IS THAT THEY ARE REALLY FIRM ON THE PRICE THEY HAVE NOT TOLD ANYBODY ABOUT IT OTHER THEN THERE, I DON'T KNOW I SUSPECT I KNOW WHO IT IS. BUT, IT IS JUST A GUESS. BUT, THERE SAYING THAT THAT IS THE NUMBER. YOU KNOW AND THERE NOT OPEN TO A COUNTER. AND IF IT DOESN'T SELL TO ME AND THEY THINK THEY CAN SELL IT TO SOMEBODY ELSE BUT, THEY DID PROMISE ME IF THE PRICE GOT LOWERED ANY THAT I WOULD HAVE THE FIRST SHOT. SO, I DON'T KNOW, I DON'T KNOW. HOW FIRM YOUR GUY WOULD CHEAT YOU IF YOU CAN'T BUY IT FOR THAT. JUST CAN'T BE BOUGHT. THEY JUST WON'T SELL IT. THERE IS TWO MIDDLE MEN OBVIOUSLY AND THEY DON'T WANT TO DO IT FOR NOTHING.

324-15: WELL, NO

JASPER: BASICALLY THE GUY WHO PHYSICALLY OWNS THE COIN, YOU KNOW, THAT'S WHAT HE'LL TAKE BUT THEN NOBODY WILL MAKE ANYTHING. AND THEN OF COURSE THE GUY THAT PUT ME, YOU KNOW OFF OF IT.

324-15: YOU SEE I THOUGHT IT WOULD BE SOME DIFFERENCE IN PRICE SO THAT THE PRICE I GAVE MY GUY WAS A MILLION IN A HALF

JASPER: RIGHT, WELL, I THINK WE CAN DO IT. YOU KNOW, BUT YOUR JUST KINDA HAVE TO GET YOUR GUY TO, WELL ITS NONE OF MY BUSINESS, BUT I MEAN ARE YOU IN THERE TO MAKE SOME MONEY?

324-15: WELL I WOULDN'T BE DOING THIS IF I WASN'T GOING TO TRY TO MAKE SOMETHING ON IT.

JASPER: WELL, NO I DON'T CARE, YOU SHOULD MAKE SOMETHING ON IT. ITS JUST THAT I WANT TO MAKE SURE THAT WE ALL GOT OUR FIGURES STRAIGHT. WHAT DO YOU THINK THE GUY WILL PAY. LET ME ASK YOU THIS. WHAT DO YOU THINK THAT YOU COULD PAY AND YOU MAKE, I DON'T CARE WHAT YOU CHARGE HIM BUT THAT YOU CAN MAKE SOME MONEY. ANOTHER WORDS WHAT'S THE MOST MONEY THAT WE CAN GIVE TO THESE GUYS.

324-15: OH TO THE GUYS THAT HAVE THE COINS?

JASPER: YES YES, THAT'S ALL I NEED TO KNOW AND I'LL SEE WHAT WE CAN DO BUT,

324-15: AH, I'LL TELL YOU WHAT I CAN DO.

JASPER: OK,

324-15: AND I FEEL PRETTY CONFIDENT IN THIS, YOU ARE SAYING THAT'S THE PRICE.

JASPER: YES THAT'S WHAT THEY ARE SAYING. BUT NOTHING IS EVER

324-15: YEAH BUT IF THAT'S THE PRICE. HOW IN THE HELL WILL YOU OR I MAKE ANYTHING.

JASPER: YEAH, WELL WHAT I AM SAYING IS I TOLD THEM. THE WIRE IS GOING TO HELP US ALRIGHT.

324-15: OK

JASPER: SO, I THINK WE CAN COME BACK, BUT WE CAN'T COME BACK WITH NO MILLION.

324-15: OK, I UNDERSTAND

JASPER: THERE NOT GOING TO DO THAT

324-15: I UNDERSTAND. OK, HERE IS WHAT I CAN GET DONE.

JASPER: OK

324-15: AND I KNOW I CAN GET THIS DONE, THE WIRE TRANSFER DEAL I IS NO PROBLEM, BUT I DON'T KNOW IF HE WILL WIRE THE TRANSFER OVER SEAS. COULD IT GO TO LIKE A BANK IN NEW YORK OR.

JASPER: HE WOULD PREFER TO HAVE IT WIRE SOMEWHERE HERE.

324-15 OK, HERES WHAT I KNOW I CAN GET DONE, IF WE CAN WIRE THE MONEY HERE, AND LOOK AT THE COIN AND UH. YOU CAN PICK THE CITY. AND WE PICK THE PLACE IN THE CITY.

JASPER: OK

324-15: OR HOW EVER THAT GOES AND I CAN GET MY GUY TO WIRE A MILLION IN HALF. IF SOMEBODY AND I DON'T CARE WHO HANDS ME A BRIEF CASE WITH SOME CASH IN IT.

JASPER: I GOT YOU

324-15: YOU UNDERSTAND WHAT I MEAN

JASPER: I UNDERSTAND EXACTLY WHAT YOU MEAN.

324-15: OK, AND WE WILL TALK ABOUT THAT AMOUNT LATER.

JASPER: OK, THEN WHAT I'M GOING TO TRY TO DO IS, BECAUSE THE WIRE THEN GOT TO BE THE FULL AMOUNT.

324-15: I UNDERSTAND THAT, BUT I'M A CASH PERSON

JASPER: NO, NO, I UNDERSTAND IT JUST DON'T, I MEAN

324-15: HERE IS WHAT THE DEAL WOULD NEED TO BE TO SATISFY MY PERSON.

JASPER: OK,

324-15: IT WOULD BE, IF WE LOOK AT THE COIN IT WILL BE ME AND HIM AN HIS EXPERT.

JASPER: RIGHT,

324-15: AND ONCE HE, WE ARE SATISFIED THAT THE COIN IS REAL WE WILL WIRE THE MONEY.

JASPER: OK

324-15: THEN WHEN THE TRANSFER TAKES PLACE. THEN SOMEBODY NEEDS TO HAND ME A BRIEF CASE WITH SOME MONEY IN IT.

JASPER: WELL YOU HAVE TO TELL ME HOW MUCH, BECAUSE THAT'S NOT AN EASY THING TO DO.

324-15: WELL, I DON'T HAVE TO TELL YOU TODAY DO I, THIS IS NOT

JASPER: NO, NO, YOU DON'T HAVE TO TELL RIGHT TODAY,

324-15: I RATHER TELL YOU THAT IN PERSON DOWN THERE.

JASPER: NO, NO, I DON'T CARE ABOUT THAT. I JUST, BECAUSE I KNOW WHAT THIS PRESENTS SO IT MAY HAVE TO. I MAY HAVE TO GET INVOLVE SOMEWHERE SO THAT YOU COULD GET WHAT YOU WANT.

324-15: OK

JASPER: SO DO YOU THINK THE GUY WOULD

324-15: WOULD IT THEY BE COMFORTABLE IF WE THAT IF WE WANT TO TRANSFER IT HERE AND THEY PICK THE CITY AND WE PICK THE PLACE MEET IN THE CITY, OR WE PICK THE CITY AND THEY PICK THE PLACE.

JASPER: I THINK UM. I THINK WE, I'LL RUN IT BY THEM. BUT THE WIRE WILL CERTAINLY CHANGE THINGS ALLOT.

324-15: OK

JASPER: I DON'T KNOW IF THEY CAN DO IT HERE. BUT WE WILL SEE WHAT THE BEST WAY IS TO DO IT.

324-15: OK

JASPER: YEAH BUT THAT WILL HELP BECAUSE THAT WAS THERE MAIN CONCERN BECAUSE THEY SAID THAT THE LAW OVER THERE WERE EVEN WORSE THEN THEY HAVE HERE.

324-15: OH, WELL MY GOD THAT'S BAD.

JASPER: (LAUGHING) YES SO THAT'S GOING TO HELP US A BUNCH.

324-15: SO ANYWAY TO HELP YOU OUT. I AM LEAVING HERE EITHER TOMORROW AFTERNOON OR WEDNESDAY MORNING AND I'LL BE BACK THE NIGHT OF THE 26

JASPER: THE NIGHT OF THE 26

324-15: AND THEN I'M GOING TO LEAVE HERE THE NIGHT OF THE 28 OR THE MORNING OF THE 29TH AND DRIVE TO ORLANDO.

JASPER: OK, SO YOU'LL ONLY BE HERE FROM THE 26-28TH?

324-15: THAT'S RIGHT AND THEN IF WE CAN HAMMER THE DEAL OUT FIRMLY DOWN THERE IN PERSON IF YOU WANT TO.

JASPER: OK, ALRIGHT

324-15: DO YOU NEED TO GET YOUR OTHER LINE

JASPER: NO

324-15: ANYWAY I JUST FIND THAT OUT ABOUT THE WIRE TRANSFER.

JASPER: THAT'S TERRIFIC NEWS

324-15: OK

JASPER: OK, I'M GOING TO GET TO WORK ON MY END THEN.

324-15: OK

JASPER: AND THEN WHAT I NEED TO DO

324-15: OK, IF YOU NEED ME TO CALL YOU BETWEEN TOMORROW AND THE 26TH?

JASPER: RIGHT

324-15: IF YOU NEED ME TO CALL YOU JUST CALL AND LEAVE A MESSAGE ON MY ANSWERING MACHINE. I CHECK MY MESSAGES EVERY NIGHT.

JASPER: GIVE ME THAT NUMBER

324-15: WELL, ITS MY REGULAR NUMBER YOU GOT IT

JASPER: OK

324-15: (806) 354-2131, AND JUST LEAVE A MESSAGE ON MY ANSWERING MACHINE.

JASPER: OK

324-15: AND I'LL CALL YOU PROBABLY THE NEXT DAY.

JASPER: OK

324-15: ALRIGHT

JASPER: ALRIGHT, WILL GET IT DONE

324-15: HAVE A MERRY CHRISTMAS

JASPER: YOU TO JACK

324-15: BUT I WILL TALK TO YOU AT LEAST IN THAT TIME FRAME WHEN WE GET BACK RIGHT AFTER CHRISTMAS.

JASPER: OK

324-15: ALRIGHT

JASPER: ALRIGHT

324-15: OK,

JASPER: BUT YOUR GUY DOESN'T CARE A WELL IT WILL BE NEXT YEAR ANYWAYS. LET JUST SAY HE DOESN'T CARE WHAT'S YEAR ITS IN.

324-15: HE DOESN'T CARE WHAT YEAR IT'S IN AND IF YOU THINK YOU KNOW WHO THE PERSON IS THEN YOUR WRONG IT'S NOT THE PERSON YOU MAY THINK IT MIGHT BE

JASPER: YOU MEAN YOUR GUY?

324-15: RIGHT

JASPER: NO, I HAVE NO IDEA, I'M NOT SAYING THAT I'M SAYING I THINK I KNOW WHO THE PERSON IS ON THE OTHER END NOT YOUR GUY. I HAVE NO IDEA WHO YOUR GUY IS. BUT, I THINK I KNOW WHO THE PERSON IS.

324-15: THAT HAS THE COIN?

JASPER: NO, I THINK I KNOW WHO THE PERSON IS THAT THERE GOING TO OFFER IT TO IF I DON'T BUY IT.

324-15: OH, SOMEBODY WE BOTH KNOW?

JASPER: YES, IT'S SOMEBODY WITH BOTH KNOW AND IT'S SOMEBODY THAT I THINK, THIS IS A GUESS BUT I, A BECAUSE I KNOW THAT HE GOT SOMEBODY AND IT'S NOT YOU, BY THE WAY. HE HAS GOT SOMEBODY WHO WANTS IT SO BAD. HE'S TEETH ARE RATTLING AND HE HAS ASKED ME FOR YEARS ABOUT IT. CAUSE HE KNOWS I KNOW WHERE ONE IS. SO ANY HOW

324-15: WELL, DON'T LET IT GET AWAY BECAUSE IF WORSE COMES TO WORSE WE MAY BE FORCE TO PAY MORE THEN A MILLION IN A HALF.

JASPER: WELL NO, NO, WERE NOT, WE ARE GOING TO GET IT. I'M GOING TO GET IT LOCKED UP SOMEWAY. YOU KNOW. OK, I'LL GET TO WORK, AND I'LL TALK TO YOU BEFORE IF NOT HAVE A GOOD CHRISTMAS. SEE YOU IN SUN WHERE WILL PROBABLY HAMMER IT OUT.

324-15: OK

JASPER: ALRIGHT

324-15: ALRIGHT JAKE

JASPER: OK

324-15: WILL TALK TO YOU

JASPER: OK, BYE BYE,

(12/18/95 4:35 PM)

(THIS IS THE THIRD TELEPHONE CONVERSATION ON THE SAME TAPE)

324-15: JAY

JASPER: YES

324-15: IT'S JACK

JASPER: HI JACK

324-15: HOW ARE YOU DOING?

JASPER: PRETTY GOOD,

324-15: WELL I AM TOO, WE ARE GETTING READY TO LEAVE IN THE MORNING, WE ARE GETTING TO LEAVE IN THE MORNING TO THE PLACE THAT WE ARE GOING TO,

JASPER: A HA

324-15: AND I JUST THOUGHT I CHECK WITH YOU BEFORE WE LEFT. AND LET YOU KNOW THAT WE WOULD SEE YOU DOWN THERE.

JASPER: YES SIR YOU WILL, AND A HOPEFULLY WE CAN HAMMER SOMETHING OUT HERE .

324-15: OK

JASPER: OK

324-15: MY GUY IS READY

JASPER: HE'S READY

324-15: YEAH

JASPER: OK

324-15: AND LIKE I SAID HE WILL WIRE THE MONEY A ANYWHERE YOU WANT TO JUST AS LONG AS WE CAN PICK UP THE GOODS RIGHT HERE IN THE UNITED STATES. BECAUSE HE IS NOT LEAVING THE UNITED STATES.

JASPER: I GOT YOU, OK, WELL I AM SUPPOSE TO HAVE A CALL WITH HIM TOMORROW MORNING SO, WILL SEE EVERY THING SHOULD BE ON SCHEDULE

324-15: OK

JASPER: BUT WE WILL TALK ABOUT IT DOWN THERE OK,

324-15: ALRIGHT, WELL I'M NOT GOING TO SAY WHERE WE ARE GOING TO BE STAYING OVER THE PHONE BUT I KNOW

JASPER: RIGHT

324-15: BUT I KNOW WILL HAVE A SET UP DAY AND THEN WE WILL TALK IN PRIVATE.

JASPER: OK

324-15: NOW A KENT IS COMING DOWN THERE LIKE ON THE FIFTH OR SOMETHING LIKE THAT THE FIFTH 6TH OR 7TH

JASPER: A HA

324-15: AND HE WILL BE INVOLVED WITH THIS ALSO SO WHATEVER YOU HAVE TO SAY ABOUT ANYTHING DO THAT AND FEEL FREE TO SAY IT IN FRONT OF HIM

JASPER: OK

324-15: ALRIGHT

JASPER: OK, I WILL DO IT

324-15: BECAUSE A ACTUALLY THIS IS A PERSON THAT HE KNOWS THAT IS YOU KNOW THAT'S GOING TO PURCHASE THIS PIECE

JASPER: RIGHT

324-15: OK, AND ITS NOT OUR FRIEND THAT WE BOUGHT ALL THE OTHER STUFF FOR

JASPER: RIGHT, WELL IT DOESN'T MATTER TO ME WHO IT IS

324-15: I DIDN'T FIGURE IT DID, HOW WAS YOUR CHRISTMAS?

JASPER: PRETTY GOOD, PRETTY GOOD

324-15: WE HAD A GOOD CHRISTMAS WE SPENT IT IN ROY UTAH. MARTY FEEL IN A TOY STORE AND BROKE HER LEG.

JASPER: OH JESUS

324-15: WE SPENT NINE HOURS IN THE EMERGENCY ROOM BUT ANOTHER HEN THAT WE ARE ALRIGHT.

JASPER: OH MY GOD JESUS CHRIST

324-15: BUT SHE'S OK NOW SHE WOULDN'T LET THAT STOP HER FROM COMING TO THE FUN SHOW.

JASPER: OH JESUS

324-15: BUT WE WILL SEE YOU DOWN THERE IN ????? DAY

JASPER: ALRIGHT JACK

324-15: OK JAKE THANK YOU BYE

JASPER: BYE,

(HELLO OK, 12/28/95 3:10PM)

(THIS IS THE FORTH TELEPHONE CONVERSATION ON THIS TAPE)

324-15: IT'S JACK

JASPER: HI JACK

324-15: HOW ARE YOU DOING

JASPER: I'M HANGING IN THERE.

324-15: YEAH SO AM I WE HAD AROUND ABOUT WAY OF GETTING HOME BUT WE GOT HOME ABOUT AN HOUR AGO.

JASPER: YEAH (LAUGHING) I BET

324-15: WE HAD TO STOP OFF AND VISIT SOME DAUGHTERS IN HOUSTON AND THEN A HAD TO DELIVER SOME JEWELRY TO A CUSTOMER DOWN THERE IN THE SOUTHERN PART OF TEXAS. AROUND LIKE BROWN THE HORN DEAL.

JASPER: RIGHT

324-15: BUT A WERE HOME

JASPER: GOOD WELL, I'LL TELL YOU WHERE WE ARE AT

324-15: OK

JASPER: I'M BEING CONTACTED DIRECTLY TUESDAY.

324-15: OK

JASPER: OK, EVERYTHING IS GO, EVERYTHING IS SET UP ON ALL SIDES. THERE IS ONE TINY HANG UP WHICH I'M GOING TO TALK TO THEM ABOUT.

324-15: WHAT IS THAT

JASPER: THEY, THEY WANT TO MEET OUT SIDE OF THE UNITED STATES. THEY WANT TO PICK ONE SPOT A MUTUEL SPOT AND DO THE TRANSACTION THERE. NOW I TOLD THE GUY THAT I'M GOING THROUGH.

324-15: MM HM

JASPER: THAT WE DO NOT WANT TO DO THAT.

324-15: YEAH

JASPER: AND, SO HE SAID WELL REALLY AT THIS POINT IT'S NOW BETWEEN YOU AND THEM, AND THEY WILL CALL YOU TUESDAY. SO, YOU KNOW

324-15: SO, HOW ABOUT YOU THEY ARE GOING TO CALL YOU?

JASPER: YEAH, YEAH, THEY WERE GOING TO CALL ME, YOU SEE THEY DIDN'T REALLY WANT. I DID EVEN REALLY WANT TO GET IN THE MIDDLE BUT, THERE IS NOT GOING TO BE MUCH WAY TO GET OUT OF IT. SO, I SAID WELL, WHY DID THEY HAVE A CHANGE OF HEART? WELL THEY JUST GOT THROUGH THINKING ABOUT IT AND THAT'S WHAT YOU KNOW THEY.

324-15: SO , THEY SO NOW IT MAY NOT EVEN TAKE PLACE INT THE U.S.

JASPER: WELL, THAT'S THE LATEST BUT

324-15: WELL, THERE HAS BEEN KINDA OF CHANGE ON MY END TOO.

JASPER: OK

324-15: IT IS NOT ANYTHING THAT DRASTIC OR THAT OUT OF LINE ON US THOUGH A THE THING OF IT IS A MY BUYER CANNOT BE THERE NEXT WEEK.

JASPER: OK

324-15: BUT LET ME TELL YOU THIS, HE OWNS LOTS OF REALESTATE UP AND DOWN THE EAST COAST.

JASPER: YES

324-15: AND HE IS GOING TO BE AT THE WALDORF ASTORIA ON THE 24TH

JASPER: OK

324-15: OF THIS MONTH

JASPER: OK

324-15: AND THAT'S WHERE HE WOULD LIKE TO BUY THE COINS

JASPER: WELL, LETS, LETS SEE TUESDAY

324-15: I MEAN IS THAT A NICE HOTEL, I NEVER BEEN IN IT SO.

JASPER: OH IT'S WONDERFUL, SHIT YEAH THE WALDORF, IS GORGEOUS.

324-15: I MEAN, I MEAN, MY PERSON KNOWS ABOUT WHAT IT INVOLVES WITH THIS COIN.

JASPER: RIGHT RIGHT

324-15: I MEAN LETS BE REALISTIC, AND I'M TALKING TO YOU ON A COMPLETELY CLEAN LINE. YOU AND I BOTH KNOW IT'S ILLEGAL TO OWN OR POSSESS THIS COIN RIGHT?

JASPER: WELL, THAT'S NOT TRUE.

324-15: IT'S NOT

JASPER: NO, AS A MATTER OF FACT THERE'S LEGISTRATION NOW TO HAVE THIS ALL DONE.

324-15: HUH

JASPER: BUT, IN ANY EFFECT THAT DOESN'T MEAN IT ISN'T GOING TO HAPPEN. BUT THE WHOLE THING OF IT IS.

324-15: WELL, RIGHT NOW AS WE TALK RIGHT NOW IT'S ILLEGAL TO POSSESS IT ISN'T IT. IF SOMEONE NEW ABOUT IT?

JASPER: I DON'T THINK SO, I MEAN I THOUGHT SO, BUT NOW I DON'T THINK SO. AFTER TALKING TO THESE PEOPLE. THAT IS ANOTHER THING I WON'T TO CALL.

324-15: IF IT'S NOT ANYTHING LIKE THAT, WHAT'S THE DEAL?

JASPER: WELL, I, I DON'T KNOW, I'M GOING TO KNOW EVERYTHING TUESDAY. I WILL CALL YOU TUESDAY WHEN THEY CALL ME. AND THEN WILL SET UP, BUT IF THE 24TH WORKS OUT FOR HIM THAT WILL WORK OUT FOR US. OK?

324-15: OK

JASPER: THAT THE, YOU KNOW, I THINK UNTIL WE KNOW THAT

324-15: I MEAN I ALREADY NOW THAT HE IS GOING TO BE THERE AND THAT'S WHEN HE WANTS THE DEAL TO GO DOWN.

JASPER: OK, WELL WILL

324-15: BUT, BUT, WHAT'S THE DEAL EVERYBODY YOU TALK TO ABOUT IT ACCORDING TO WHAT YOU ARE SAYING

JASPER: YEAH BUT, BUT YOU CAN'T YOU CAN'T DISCUSS THOUGHS KINDA OF THINGS. I MEAN THIS AIN'T THE PLACE TO DO IT.

324-15: WHAT ARE YOU TALKING ABOUT? LIKE OVER THE PHONE.

JASPER: YEAH I MEAN IT'S NOT ONLY THAT. THIS IS NOT THE PLACE TO DO IT.

324-15: OH YOU GOT SOMEONE THERE.

JASPER: (HE IS LAUGHING) AND SAYS "JUST DROP IT"

324-15: OH! OH! OK

JASPER: AH ANWAY, AH THEY SAID THEY CALL TUESDAY AND IT WOULD PROBABLY BE IN THE AFTERNOON MY TIME. SO I AM GOING TO SEE WHAT CAN BE WORKED OUT. SO BY TUESDAY EVENING I WILL KNOW, BUT THE 24TH I THINK THAT SHOULD WORK FOR EVERYBODY.

324-15: YEAH

JASPER: IT'S A MATTER OF GETTING THEM TO WHAT THERE GOING TO DO. SO,

324-15: AND AH, ONE THE DEAL I WAS TALKING TO YOU ABOUT. WHAT I WANTED.

JASPER: YEAH

324-15: AH I HAVE HAD SECOND THOUGHTS ABOUT THAT AH I DON'T WANT IT IN THAT FORM.

JASPER: OH YOU DON'T?

324-15: NO, BECAUSE I'M GOING NOT TO PAY ANY TAXES ON WHAT I DO. SO I WANT CASH. IS THAT A PROBLEM.

JASPER: (HE LAUGHS) YEAH, I DON'T HAVE THE CASH, WILL WORK IT OUT YOU AND I AREN'T GOING TO HAVE A PROBLEM.

324-15: OK

JASPER: OK, BUT, I DON'T GET CASH I DON'T EVEN TAKE IT IN.

324-15: YEAH

JASPER: BUT WILL TALK ALL ABOUT ALL THAT.

324-15: OK, AND YOU ARE GOING TO CALL ME TUESDAY?

JASPER: YES SIR, THERE GOING TO CALL ME. THE PRINCIPAL'S CALLING ME TUESDAY WERE GOING TO TRY TO HAVE EVERYTHING SET EVERYTHING IS READY TO ROLL EXCEPT THIS ONE POINT AND THEN WE ARE GOING TO TRY TO WORK IT OUT AND, I WILL GIVE YOU, HOPEFULLY CALL YOU TUESDAY NIGHT AND TELL YOU THE WHEN, WHERE, HOW, AND EVERYTHING WE NEED TO KNOW.

324-15: WELL I, IT NEEDS TO BE THE 24TH

JASPER: OK

324-15: I MEAN WE ARE THE ONES BUYING THE COINS, WE CAN AT LEAST SAY WHEN.

JASPER: NO, NO WILL MAKE IT ON THE 24TH. DO YOU KNOW WHAT DAY THAT IS? IS THAT ON A WEEKEND?

324-15: AH HOLD ON JUST A SECOND. I GOT A CALENDAR OVER HERE I JUST CAN'T SEE IT AND I HAVEN'T TURNED IT. OH YEAH HERE I CAN SEE THIS. IT'S ON A WEDNESDAY.

JASPER: OH OK

324-15: YEAH IT'S ON A WEDNESDAY, NEXT TO LAST WEDNESDAY OF THE MONTH

JASPER: OH OK, THEN THAT'S WHAT WILL SHOOT FOR.

324-15: FINE

JASPER: AND I WILL GIVE YOU A COMPLETE REPORT WHEN I KNOW SOME DETAILS, AND THAT SHOULD BE TUESDAY NIGHT. HE PROMISE ME THAT ABSOLUTELY THAT I WOULD BE CALLED TUESDAY.

324-15: I WISH I KNEW MUCH MORE ABOUT WHAT YOU WERE TALKING ABOUT BEFORE.

JASPER: I UNDERSTAND

324-15: IT WOULD MAKE MY GUY FEEL A LOT BETTER. YOU KNOW

JASPER: I UNDERSTAND BUT WE CAN'T DO THAT RIGHT NOW.

JASPER: BUT I TELL YOU HERE IS WHERE WE ARE AT, I TALK TO HIM YESTERDAY.

324-15: YA

JASPER: AND THE ONLY HANG UP THAT WE ARE TRYING TO GET AROUND. EVERYTHING IS SET, EVERYTHING IS DONE IT'S JUST THAT THEY WANT TO DO AH THEY WANT TO DO THE DEAL IN SWITZERLAND AND I SAID WE DON'T WANT TO DO IT IN SWITZERLAND WE WANT TO DO THE DEAL IN NEW YORK ON THE 24TH AND SO, THERE KINDA OF DEAD SET THAT WE DO IT THERE. AND WE ARE KINDA DEAD SET ON DOING IT HERE, AND HE SAID HE WOULD CALL ME HE WILL CALL THEM BACK THAT THE IS THE WAY IT HAVE TO BE DONE. UNLESS WE WANT TO DO THINGS DIFFERENTLY. UM HE SAID THAT THERE JUST AFRAID THEY HAVE BEEN SCAMED

324-15: TWO OR THREE TIMES

JASPER: AND I SAID THERE IS NO PROBLEM OF THAT. THIS IS A STRAIGHT UP DEAL. UM ANYWAY THERE READY TO DO IT. WERE READY TO DO IT. EVERYONES READY TO DO IT.

324-15: YEAH

JASPER: IT'S JUST THAT THEY WANT TO DO IT IN SWITZERLAND AND WE WANT TO DO IT HERE.

(AT THI POINT THEY ARE BOTH LAUGHING)
(JASPER THEN CONTINUES)

JASPER: SO, BUT THAT THERE'S NO OTHER THINGS TO BE WORKED OUT THAT'S ALL THERE IS.

324-15: THAT'S IT

JASPER: THAT'S IT, I MEAN IF WE CAN JUST FIGURE A WAY. HE IS TODAY FED XING TO ME.

324-15: UH HA

JASPER: A COPY A DETAILED BLOWN UP COPY OF THE COIN.

324-15: OH OK

JASPER: NOW HE SAID THAT HE DOESN'T THINK THIS WILL HELP. BUT HE WANTED ME TO MENTION THIS TO YOU. THIS IS THE ACORS PLATE COIN. OK? SO THIS PHOTOGRAPH OF THIS PIECE WILL MATCH THE ACOHORS PLATE COIN. LIKE TO MAKE SURE THAT IT IS GENUINE AND IT'S THE RIGHT PIECE IT'S THIS AND IT'S THAT.

324-15: THE PLATE COIN ON WHAT

JASPER: ON ACOHORS SIX VOLUME SET OF BOOKS ON GOLD.

324-15: OK

JASPER: THIS IS THE PLATE COIN

324-15: I THOUGHT THAT COIN IS THE ONE FROM THE SMITHSONIAN. THE ONE THAT HE TOOK A PICTURE OF HIS PLATE COIN. ARE YOU THERE. HELLO, HELLO,

IN THE BACKGROUND YOU HERE A MAN SAYING "WE CAN DO IT THAT WAY BUT— WE WILL END UP PAYING 325. THAT'S

324-15 WHAT HAPPENED?

JASPER: I THINK MY BATTERY WENT OUT I'M ON A REGULAR PHONE NOW.

324-15: OK, AH WHILE AGO I HEARD SOMEONE SAY WILL END UP PAYING 325.

JASPER: HM?

324-15: WELL, AFTER YOU WENT DEAD

JASPER: SOMEONE SAID WILL END UP PAYING 325?

324-15: YEAH

JASPER: HM

324-15: BUT I WAS SAYING TO YOU I THOUGHT THE PLATE COIN IN ACHORS BOOK WAS THE ONE THAT'S IN THE SIMTHSONION.

JASPER: NO, APPARENTLY NOT, HE SAID IT IS THAT COIN

324-15: OH

JASPER: SO ANYWAYS, THAT PHOTO IS SUPPOSE TO BE HERE TODAY AND A I DON'T KNOW IF THAT MATTERS BUT HE JUST IS DOING THAT SO THAT WE ABSOLUTELY KNOW THAT THIS IS A STRAIGHT UP THING, BUT THERE READY TO DO IT ANYTIME. IT'S JUST THAT THEY

324-15: WE ARE READY TOO

JASPER: I KNOW THAT WE ARE READY

324-15: IT JUST SO HAPPENS THAT THIS BUYER YOU KNOW IS YOU KNOW HE HAS TO BE UP THERE ON THE 24TH. IT WOULD BE NICE IF IT COULD TAKE PLACE THEN.

JASPER: I TOLD HIM THAT AND HE IS GOING TO TRY AND SEE IF THEIRS ANYWAY POSSIBLE TO DO THAT.

324-15: AND WE ARE READY TO WIRE THE MONEY TO YOUR BANK

JASPER: YES, SIR

324-15: AND WHATEVER

JASPER: I KNOW WE GOT EVERYTHING WORKED OUT EXCEPT WHETHER ITS HERE OR THERE.

324-15: LET ME ASK YOU THIS QUESTION

JASPER: YES SIR

324-15: IF I'M JUST ASKING THIS BECAUSE MY GUY WANTS THIS COIN REALLY BAD.

JASPER: YES SIR

324-15: IF WE WERE WILLING TO PAY MORE MONEY FOR IT WOULD THEY COME HERE. HE'S JUST NOT GOING TO LEAVE THE UNITED STATES.

JASPER: I, JACK YOU KNOW I DON'T KNOW UM YOU KNOW THE ONLY THING I CAN THINK OF TO DO

324-15: YEAH

JASPER: AND OF COURSE THIS ISN'T GOING TO HELP YOU I GUESS BUT I COULD GO TO SWITZERLAND AND DO THE DEAL AH YOU KNOW I CAN PROBABLY WORK OUT SOME WAY TO GET IT DELIVERED HERE TO YOU HERE.

324-15: YO MEAN LIKE YOU COULD GO TO SWITZERLAND GET IT BRING IT BACK AND I COULD JUST GET IT FROM YOU. WE CAN GET IT FROM YOU?

JASPER: WELL, I JUST DON'T KNOW WHAT OTHER WAY TO DO IT. I MEAN IF THERE INSISTENT ON THAT AND YOU GUY IS INSISTENT THAT HE WON'T GO. UM YOU KNOW AND IT IS IDENTIFIABLE. BECAUSE THIS IS THE PLATE COIN. BECAUSE THIS IS APPARENTLY A BIG BLOWN UP PHOTOGRAPH FRONT AND BACK. I KNOW WHOM I'M DEALING WITH AND I KNOW WHOM I'M DEALING WITH KNOWS IT'S REAL.

324-15: YEAH

JASPER: AND I HAVE ENOUGH CONFIDENCE IN MY SELF TO TELL YOU WHETHER IT'S REAL AND IF WE GOT IT BACK AND IT WASN'T REAL WILL JUST GIVE YOU THE MONEY BACK OR SOMETHING.

324-15: OH OK

JASPER: BUT I CAN'T, WE DON'T WANT TO LET THE DEAL GO, BUT THERE JUST THERE JUST YOU KNOW.

324-15: WELL SEE WHAT YOU CAN FIND OUT. I HAVE GOT SOME ERONS I HAVE TO RUN THIS AFTERNOON.

JASPER: OK, WELL HE SAID THAT HE IS GONNA THAT HE HE AS SOON AS HE GETS IN TOUCH WITH THEM. HE WILL CALL ME BACK. CAUSE I PROMISE YOU I WILL CALL YOU I'LL CALL YOU BACK I'LL TELL YOU EXACTLY WHERE THE DEAL IS THEN WE WILL TRY TO PATCH IT TOGETHER. I EVEN OFFERED THIS GUY SOME MONEY IF HE COULD TO SPEED IT UP. I ASK HIM ARE YOU MAKING ANY MONEY. HE SAID WELL IT'S VERY LITTLE. IT'S MORE LIKE A FAVOR TO THE FAMILY.

324-15: YA

JASPER: WELL IF YOU CAN MAKE THIS YOU KNOW I'M MAKE IT WORTH YOU WHILE. LET YOU MAKE SOME MONEY AND HE SAID WELL THAT'S NICE OF YOU HE SAID I WILL DO EVERYTHING THAT I CAN BUT THEY WANT TO SELL IT YOU WANT TO BUY IT AND EVERYTHING IS DONE IT JUST THIS PHYSICALLY. AND I DON'T KNOW IF THIS PHYSICAL THING IS TAKING THE DELIVERY OVER THERE AND GETTING IT OVER HERE OR THE PHYSICALLY THING IS. HE SAYS THAT THEY JUST WANT THE MONEY IN THERE HAND BEFORE THEY LET THE COIN GO.

324-15: OH I SEE

JASPER: THAT'S THE ONLY THING THAT THERE CONCERNED WITH. IF WE CAN'T ARRANGE SOMETHING TO GO OVER THERE.

324-15: SO THERE NOT GOING TO LET YOU TAKE THE COIN AND BRING AND THEY PAY US

JASPER: NO, NO, NO, NO, THE COIN WOULD HAVE TO BE PAID FOR UH IF THAT PUSH COMES TO SHOVE. IF THAT'S WHAT WE CAN DO OR WE ELECT TO DO YOU KNOW I WOULD BE MORE THEN GLAD TO LET TO LEAVE YOU MORE THEN SUBSTANTIAL COLLATERAL TO WHERE YOU GUYS CAN'T GET HURT.

324-15: YEAH

JASPER: OR YOU KNOW SOMETHING LEAVE YOU THE BRASH OR THE BLOOM OR SOMETHING. YOU KNOW BUT I THINK THAT THAT'S THE INPATH AND I DON'T KNOW IF WE CAN OVER COME IT. HE'S GONNA TRY. HE'S GONNA CALL ME AND HE SAID AS SOON AS HE KNOWS SOMETHING HELL CALL ME. IF THERE DEAD SET ON THAT. THEN WILL THINK OF SOME ALTERNATIVE OR IF YOU CAN THINK OF ANYTHING.

324-1: MAYBE IT WILL HAVE TO TAKE PLACE AFTER THE 24TH . I DON'T KNOW MAYBE WE CAN JUST WORK ON IT. I DON'T KNOW

JASPER: OK, BUT JUST DON'T, WE ARE GOING TO GET IT DONE IT JUST THAT THERE OVER THERE THEY WANT THE MONEY BEFORE THEY LET THE COIN GO. WE ARE OVER HERE WE WANT THE COIN DELIVER BEFORE WE LET THE MONEY GO.

324-15: YEAH

JASPER: AND SO, AND EVERY THAT'S IT EVERYTHING ELSE IS DONE. AND UM LIKE I SAY IF NOTHING ELSE. HELL YOU AND I WILL GO TO SWITZERLAND WHATEVER. SOMETHING WE CAN WORK OUT SOMETHING LETS SEE WHAT THE SAY FIRST. OK?

324-15: OK

JASPER: AND JUST PLEASE APOLOGIZE TO YOUR GUY

324-15: OH I HAVE

JASPER: WE ARE DOING ALL THAT WE CAN DO BUT THAT'S THE ONLY IMPATH THAT'S IT.

324-15: HE NEVER SAYS ANYTHING OUT OF LINE TO ME BUT THIS MORNING HE TOLD ME TO GET OFF MY ASS AND GET TO WORK.

JASPER: ALRIGHT WELL

324-15: AND HE HAS NEVER SAID SOMETHING LIKE THAT TO ME.

JASPER: ACTUALLY I WAS GOING TO CALL YOU LAST NIGHT LIKE I SAID I WAS BUT I KINDA OF EXPECTED HIM TO CALL ME FIRST THING IN THE MORNING.

324-15: I WAS GOING TO WAIT ON YOU. BUT HE, I JUST GOT OFF THE PHONE WITH HIM AND SO I SAID I'LL SEE WHAT I CAN FIND OUT.

JASPER: BUT THAT'S EXACTLY THE STORY THAT'S STRAIGHT UP THAT'S WHERE IT IS THE COINS THERE WE WILL HAVE A PHOTO OF IT TODAY UH THERE READY TO GO. HE'S READY TO GO UM. IF IT DOESN'T WORK I'LL MAYBE OFFER HIM A LITTLE MORE MONEY TO IF THEY BRING IT OVER HERE. WE COULD DO IT OUR WAY.

324-15: OK

JASPER: GIVE SOMEBODY SOME INCENTIVE TO DO THAT

324-1%: WELL JUST LET ME KNOW

JASPER: NO, I WILL AND IF NOT YOU AND I COULD PUT OUR HEADS TOGETHER AND BETWEEN US WE CAN FIGURE THIS THING OUT.

324-15: OK

JASPER: ALRIGHT?

324-15: ALRIGHT

JASPER: BUT WILL GET IT JUST TELL HIM BE PATIENT

324-15: OK JAY

JASPER: OK

324-15: YOU'LL CALL ME?

JASPER: YES SIR, AS SOON AS I HEAR FROM HIM WHICH I'M HOPING WILL BE IN THE NEXT DAY OR TWO.

324-15: OK, WELL I'M NOT GOING ANYWHERE.

JASPER: BUT I NOW WORKED MY WAY TO THE GUY WHO ACTUALLY. SEE THE PIECE IS PHYSICALLY IS IN SWITZERLAND. SO THAT'S WHY THEY WANT TO DO IT RIGHT AT THE SWISS BANK. AND IT'S DONE AND ITS OVER. BUT I FINALLY GOT THEY GUY. ANOTHER WORDS I WORKING THROUGH ANOTHER GUY WHO KINDA JUST PUT ME UNDER THIS GUY. I'M TALKING TO THE GUY WHO PHYSICALLY HAS THE KEYS TO THE BOX.

324-15: OH OK

JASPER: AND HE HAS GUARANTEED ME YOU KNOW THAT YOU KNOW NO ONE HAS ANY ACCESS TO THIS THING BUT HIM. HE HAS THE ONLY KEY.

324-15: OK

JASPER: SO ITS NOT GOING ANYWHERE. WE JUST HAVE TO WORK OUT THIS ONE LAST DETAIL AND UM MAYBE YOUR RIGHT MAYBE A LITTLE MONEY WILL SPEAK I THROUGH THAT A LITTLE BIT YESTERDAY AND IT GOT HIS ATTENTION, BUT MAYBE WE CAN WORK OUT SOMETHING UH TO WHERE. I HATE TO GO OVER THERE AND I KNOW YOU DON'T WANT TO GO THERE.

324-15: RIGHT

JASPER: TO ME IT'S A GREAT COIN AND IT'S A GREAT DEAL BUT IT'S JUST ANOTHER DEAL TO ME, SO BUT WILL DO WHAT WE HAVE TO DO TO GET IT DONE.

324-15: WELL I'M NOT GOING ANYWHERE FOR A WHILE. SO

JASPER: I CAN'T GO I CANCELLED OUT MY STUFF I'M GOING TO LONG BEACH BUT I CANCELED ALL THE AUCTIONS AND EVERYTHING YESTERDAY SO, I'LL BE HERE.

324-15: I MAY NOT EVEN GO TO LONG BEACH THIS YEAR. I MIGHT FLY OUT THERE FOR ONE DAY OR SO.

JASPER: I TELL YOU I DON'T EXPECT NEXT YEAR AT THIS TIME THERE EVEN BE A LONG BEACH.

324-15: I BET YOUR RIGHT

JASPER: I NO A LOT OF GUYS THAT AREN'T EVEN GOING.

324-15 I HEAR MY WIFE HOLLERING AT ME DOWN STAIRS..

JASPER: OK

324-15: CALL ME WHEN YOUR HEAR SOMETHING. I'LL TRY TO KEEP HIM PASTIFIED.

JASPER: OK, JUST TELL HIM BE PATIENT WILL GET IT DONE.

324-15: ALRIGHT

JASPER: ALRIGHT JACK, THANKS

324-15: BYE

1/17/96 11:00AM CENTRAL TIME

AND THAT CONCLUDES THE TELEPHONE INTERCEPT TAPES.

324-15: OUR GUY.

PARRINO: YES SIR.

324-15: AH, I GUESS HE SAYS HE IS TIRED OF PLAYING GAMES.

PARRINO: OH.

324-15: AND UH HERE IS WHAT HE SAID, HE SAID AH HE IS NOT GOING TO PAY ANYMORE MONEY.

PARRINO: HE DOESN'T, I DON'T BLAME HIM.

324-15: ANYMORE MONEY THEN A MILLION IN A HALF AND IF THEY DON'T WANT TO BRING IT HERE, HE WILL MEET IN ANY LOCATION THEY WANT THE VIRGIN ISLANDS OR PUERTO RICO. YOU KNOW, IF THAT WILL HELP ANY.

PARRINO: THE VIRGIN ISLAND OR PUERTO RICO, YEAH ALRIGHT , AH THAT MAY HELP.

324-15: ANYWAY, THAT IS THE DEAL.

PARRINO: BUT I'M STILL TRYING TO GET THEM TO SEE IT OUR WAY.

324-15: OK, BUT I'M JUST TELLING YOU THAT HE WANTS IT DONE BY THE END OF THE MONTH.

PARRINO: HE WANTS IT DONE BY THE END OF THE MONTH?

324-15: YEAH, OR IT'S NO DEAL FOR HIM...

PARRINO: I UNDERSTAND.

324-15: I WANTED TO LET YOU KNOW, SO IF IT WOULD HELP ANY.

PARRINO: OK, WELL IT MIGHT HELP.

324-15: SO, WHENEVER YOU HEAR SOMETHING CALL ME.

PARRINO: I PROMISE YOU I WILL, AS A MATTER OF FACT, I'LL GIVE HIM A CALL. WELL THE TIME DIFFERENCE. I'LL GIVE HIM A CALL TONIGHT AND YOU KNOW, SEE IF THAT DOES MAKE A DIFFERENCE.

324-15: OK, WELL I KNOW THAT YOU ALL HAVE BAD WEATHER IN KANSAS CITY. SO IT'S 7 DEGREES IN AMARILLO.

PARRINO: OH BOY.

324-15: WIND CHILL OF 35 BELOW, WE HAD A BLIZZARD LAST NIGHT.

PARRINO: WE DID TOO.

324-15: WE KNOW YOU DID.

PARRINO: ACTUALLY, IT'S REALLY TERRIBLE, YEAH IT'S BAD.

324-15: BUT AH I'LL BE AROUND SO LET ME KNOW.

PARRINO: I WILL JACK, I'LL GET ON IT.

324-15: ALRIGHT.

PARRINO: ALRIGHT BYE.

E..DING OF FIRST TELEPHONE CONVERSATION
324-15: HELLO 1/18/96 9:30AM

****

324-15: HELLO.

PARRINO: HELLO JACK.

324-15: HELLO JAY.

PARRINO: OK, ARE YOU READY?

324-15: YES.

PARRINO: OK, EVERYTHING IS SET, WE ARE GOING TO DO IT ON THE 24TH, IN THE MORNING. I'M GOING TO BE THERE ON THE NIGHT OF THE 23RD. WHAT WE, WHAT THEY WOULD LIKE TO DO IS THE FOLLOWING, THEY WILL CALL US.

324-15: WHERE'S IS IT GOING TO BE AT ?

PARRINO: NEW YORK.

324-15: OH, IT'S STILL IN NEW YORK.

PARRINO: RIGHT AT THE WALDORF.

324-15: OH OK.

PARRINO: OK, SO HERE IS WHAT THEY WANT TO DO. WE WILL MEET, THEY ARE GIVING THE COIN TO A GUY. WITH INSTRUCTIONS THAT HIS EYES DO NOT LEAVE THE COIN. WHAT HE IS GOING TO DO IS PUT IT IN THE DEPOSIT BOX. WE WILL MEET AT THE DEPOSIT BOX. YOU WILL VERIFY THE COIN AS WHATEVER. YOU WILL WIRE THE MONEY TO MY ACCOUNT. WHEN IT HITS MY ACCOUNT, IT GOES TO LONDON.

324-15: AH, THE MONEY GOES TO LONDON.

PARRINO: RIGHT, WHEN THEY GET CLEARANCE, TAKE THE PIECE, WE HAVE A DRINK, WE GO HOME. THAT SOUND ACCEPTABLE ?

324-15: WELL, I'LL HAVE TO CALL MY BUYER BECAUSE WHEN I TALK TO YOU YESTERDAY. HE SAID IN LIGHT OFF ALL THE TALK BACK AND FORTH AND EVERYTHING THAT HE DIDN'T. HE THOUGHT HE JUST CANCEL THE DEAL ON THE 24TH SO I HAVE TO GET BACK TO HIM.

PARRINO: OH, I THOUGHT YOU SAID IT WAS LIKE THE END OF THE MONTH.

324-15: WELL, HE SAID LIKE THE END OF THE MONTH. BUT, SINCE YOU KNOW, WE SAID WE WOULD DO IT ALL ON THE 24TH AND EVERYTHING, HE CHANGED HIS PLANS.

PARRINO: OH OK.

324-15: REMEMBER ME TALKING ABOUT THAT ?

PARRINO: WELL, NO BUT THAT, IT DOESN'T MATTER, JUST FIND OUT. WE CAN DO IT SOMEWHERE ELSE. BUT, I JUST TOLD THEM AND HE HAS TOLD.

324-15: YEAH, IN FACT, I TALK TO HIM THIS MORNING, WHEN I WAS WAITING ON YOU TO CALL. HE SAID YOU KNOW IF THERE NERVOUS ABOUT BRINGING THE PIECE TO THE UNITED STATES OR ONE OF THOSE OTHER PLACES I MENTIONED. JUST HAVE THEM PICK SOME OTHER COUNTRY BUT, HE SAID I'M GOD DAM SURE I'M NOT GOING TO SWITZERLAND.

PARRINO: NO, WE DON'T HAVE TO GO ANYWHERE, WE CAN DO IT RIGHT HERE, NO PROBLEM. IF THE WALDORF IS OK OR IF SOMEWHERE ELSE IS BETTER. I WILL TRY TO SET IT UP TO GO SOMEWHERE ELSE. I JUST STRICTLY HAD TOLD THEM THAT THAT'S.

324-15: REMEMBER, WE HAD SAID WE DO IT ON THE 24TH, I TOLD YOU, AND YOU CALLED BACK AND SAID THEY HAD SOME PROBLEMS ABOUT BRINGING IT TO THE UNITED STATES. I TOLD HIM AND HE SAID WELL HELL, WELL I COULD SEE ABOUT THE REALESTATE SOME OTHER TIME. SO HE CANCELED THE 24TH BUT, LET ME GET BACK TO YOU AND SEE WHAT HE SAYS.

PARRINO: OK WELL, THERE ALL READY, IT WILL BE THERE, EVERYTHING IS SET UP. YOU JUST GIVE ME A JINGLE BACK.

324-15: SO AH, THE PIECE WILL BE PUT IN A SAFE DEPOSIT BOX.

PARRINO: RIGHT WHAT WILL DO WILL LOOK AT THE HOTEL SAFETY DEPOSIT BOX ROOM.

324-15: OH, OH THERE AT THE HOTEL.

PARRINO: OH YEAH, HE'LL HAND IT, WHO ARE YOU GOING TO HAVE LOOK AT THIS COIN?

324-15: AH, WELL NOW, THAT IS MY BUYER'S EXPERT. I DON'T KNOW HIM.

PARRINO: OH, YOU DO NOT KNOW HIM.

324-15: NO.

PARRINO: OK, BUT YOU KNOW WHO WE ARE DEALING WITH?

324-15: I KNOW WHO WE ARE DEALING WITH.

PARRINO: OK BECAUSE, ALRIGHT, I HAVE VOUCHED UP AND DOWN, SIDE WAYS, BACKWARDS, AND EVERYTHING ELSE. AS LONG AS YOU KNOW.

324-15: I KNOW THE GUY.

PARRINO: OK, WELL THAT'S GOOD ENOUGH FOR ME.

324-15: THE GUY HE LIVES IN LUBBOCK.

PARRINO: WELL THEN UM YOU KNOW, LETS FIND OUT. IF THAT'S FINE WILL DO THAT, IF IT'S NOT WILL I DON'T THINK THERE WILL BE ANY OBJECTION OTHER THEN HAVING TO CHANGE EVERYTHING. I DON'T THINK THERE WILL BE ANY OBJECTION TO SOMEWHERE ELSE. THEY HAVE SAID TO HIM AS LONG AS THE COIN DOES NOT LEAVE YOUR HAND WHILE OTHER PEOPLE ARE LOOKING AT IT. THEN THAT'S FINE. THEY HAVE MADE ARRANGEMENTS AND IT WILL BE

HERE.

324-15: WELL, IS IT STILL GOING TO BE BROUGHT IN LIKE YOU SAID WITH SOME OTHER 20'S

PARRINO: WELL WE DON'T KNOW AND IT DOESN'T MATTER

324-15: WELL, I KNOW IT DOESN'T MATTER TO US BUT YOU KNOW THAT'S WHAT YOU HAD MENTIONED BEFORE.

PARRINO: I DON'T KNOW, THAT'S WHAT THEY HAD SAID TO ME BUT ANYWAY. THEY HAVE THAT FIGURED OUT. THE WAY IT STANDS NOW. THEY ARE READY TO ROLL THE MORNING OF THE 24TH AT THE WALDORF. EVERYTHING IS GO EVERYTHING IS DONE.

324-15: ARE YOU GOING TO BE THERE?

PARRINO: YES I AM GOING TO BE THERE, UM I WASN'T BUT I THINK I SHOULD BE AND A WE'LL LOOK AT THE COIN AND MAKE SURE THAT THE COIN IS.

324-15: AH, WHAT ABOUT THOSE THE PICTURES OF THE PLATE COIN.

PARRINO: THEY DID NOT COME OUT BUT WE HAVE OF COURSE YOU KNOW THE BOOK.

324-15: WHAT DO YOU MEAN THEY DIDN'T COME OUT.

PARRINO: WELL HE SAID THAT THERE NOT IDENTIFIABLE ENOUGH. THEY WERE TOO BLURRY.

324-15: OK, SO HE DIDN'T EVEN SEND THEM ?

PARRINO: RIGHT, BUT WE DO HAVE OUR BOOK.

324-15: WELL, YOU ARE GOING TO BRING THE BOOK WITH YOU.

PARRINO: WELL, IT'S THE PLATE COIN IN DAVID'S BOOK.

324-15: OH.

PARRINO: DID YOU KNOW THAT?

324-15: WELL, NO I DIDN'T KNOW THAT

PARRINO: OH, I'M SORRY.

324-15: HOW IN THE HELL DID HE GET A PICTURE OF THAT COIN?

PARRINO: DON'T ASK ME, YOU HAVE TO ASK HIM, THAT'S WHAT THEY TOLD ME, YOU KNOW AND STUFF, BUT BELIEVE ME, WHOEVER HE IS BRINGING IT, WILL KNOW, THEY ARE VERY EASY TO TELL. UH, ALL YOU HAVE TO DO IS STUDY THE BOOK AND AFTER YOU'VE SEEN ONE, YOU CAN TELL. THERE'S NOT A PROBLEM.

324-15: I GUESS WHAT I'M SAYING OR WHAT I MEAN IS ARE WE GOING TO HAVE ONE OF THOSE BOOKS IN THERE.

PARRINO: I WILL BRING ONE IF YOU DON'T HAVE ONE.

324-15: OK, NO I DON'T HAVE THAT SET.

PARRINO: YEAH, OH YOU DON'T WELL I DO, I'LL BRING ONE, I'LL BRING ONE AND WILL DO IT THERE. BUT, UM SO, IT IS ALREADY TO GO ONCE YOU LOOKED AT IT AND HIS GUY SAYS IT'S OK. YOU DO THE WIRE AS SOON AS IT HITS MY BANK, ITS WIRED TO EUROPE. WHEREVER THEY WANT AND AS SOON AS WE CAN GET CONFIRMATION WE'RE ALL ON OUR WAY HOME.

324-15: SO, THEY HAVE TO GET CONFIRMATION INTO EUROPE.

PARRINO: YES, WELL, HE IS ACTUALLY TRYING TO DO A, A BANK IN NEW YORK, THAT LATER WHEN THEY GET BACK THEY CAN HAVE IT TRANSFERRED.

324-15: OH, OK.

PARRINO: BUT HE SAID HE DOESN'T KNOW, BUT I JUST SIMPLY TOLD HIM THAT I WOULD HAVE MY BANK TRANSFER WHEREVER THEY WANTED IT, AND WITH WIRED TRANSFERS, IT SHOULDN'T TAKE ANY LONGER TO GO TO, YOU KNOW. HELL COMMUNICATION, ANYMORE, IT'S NOTHING. THERE IS NO REASON, IF WE DO IT IN THE MORNING, THAT IT CAN'T ALL BE DONE BY MID AFTERNOON OR SOMETHING. YOU KNOW CAUSE IT AIN'T GOING TO TAKE LONG, THE GUY IS GOING TO LOOK AT IT. HE IS GOING TO SAY OK AND THEN BINGO. THEY MAKE A CALL, YOU MAKE A CALL, MY BANK WILL BE ALREADY TO ROLL, AND WE WILL GO HAVE A DRINK. WE DON'T NECESSARILY HAVE TO HAVE A DRINK TOGETHER, BUT WE WILL ALL KILL SOME TIME AND WHEN ITS DONE, THEN WE WILL LEAVE A MESSAGE OR WHATEVER WE WILL GO DOWN AND GET THE PIECE EVERYTHING WILL GO JUST LIKE IT'S SUPPOSE TO.

324-15: IN CASE I CAN'T GET A HOLD OF HIM THIS AFTERNOON, AH WHERE ARE YOU GOING TO BE THIS WEEKEND.

PARRINO: YOU CAN GET ME AT THIS NUMBER. I WILL KEEP THIS NUMBER TRANSFERRED ALL THE TIME. LET ME GIVE YOU MY HOME NUMBER AS WELL.

324-15: YOUR NOT GOING TO A SHOW THIS WEEKEND?

PARRINO: NO, I CANCELED EVERYTHING BECAUSE OF THIS. I'M NOT GOING.

324-15: AH, YOU WILL JUST TRANSFER IT TO YOUR HOME.

PARRINO: YEAH RIGHT, AND JUST FOR THE HECK OF IT, LET ME GIVE YOU MY HOME PHONE NUMBER 816 478-0945.

324-15: IT MAY BE TOMORROW.

PARRINO: NO, THAT'S OK, THAT'S OK IF IT'S TOMORROW, IT'S TOMORROW IF NOT IT'S JUST YOU KNOW, AS SOON AS I GET A GO FROM YOU THEN WILL MAKE ALL THE ARRANGEMENTS. IF SOMETHING IS DIFFERENT THEN I'M GOING TO HAVE TO OF COURSE GET A HOLD OF HIM.

324-15: I HOPE YOU UNDERSTAND THAT IF SOMETHING IS DIFFERENT THEN IT WOULDN'T BE OUT OF LINE SINCE, IT'S CHANGE SO MANY TIMES.

PARRINO: OH NO, NO, NO, I JUST DIDN'T I JUST, I JUST FELT I DID NOT EVEN KNOW WHAT HE WAS GOING TO BE THERE FOR I JUST FIGURED HE WAS GOING TO BE THERE ON THE BUSINESS ON THE 24TH REGARDLESS.

324-15: WELL, HE WAS AND BUT HE SAID HE CANCELED IT BUT I'M SURE A MAN OF HIS MEANS CAN DO WHATEVER HE WANTS TO.

PARRINO: WELL I'LL LEAVE IT UP TO YOU... WHEN THAT'S DONE OR WHATEVER THEN I WILL TAKE CARE OF YOU. I DON'T WANT TO LUG ALL OF THAT STUFF BUT I'LL JUST MAIL IT TO YOU OR YOU CAN COME AND GET IT OR, WHATEVER BUT YOU DON'T HAVE TO WORRY ABOUT ME AND I DON'T HAVE TO WORRY ABOUT YOU. I DON'T THINK ANYBODY HAS TO WORRY ABOUT ANYBODY. IT'S A GOOD DEAL FOR EVERYBODY. HE IS GETTING WHAT HE WANTS THEY NEED THE MONEY. BOOM IT'S DONE, YOU MAKE A LITTLE JAY MAKES A LITTLE. WE GO ON TO THE NEXT DEAL.

324-15: ALRIGHT, WELL LET ME DO MY BEST TO CEMENT IT IN AND THEN I'LL GET BACK TO YOU AS SOON AS I CAN.

PARRINO: GOOD ENOUGH,

324-15: ALRIGHT

PARRINO: THANKS JACK

324-15: ALRIGHT BYE

END OF 2ND TELEPHONE CONVERSATION
324-15: 1/10/96, 1:53PM CENTRAL TIME

PARRINO: HELLO.

324-15: JAY.

PARRINO: OH, HI JACK.

324-15: I DID GET A HOLD OF HIM.

PARRINO: YES SIR.

324-15: BUT LIKE I THOUGHT, HE HAD CHANGE HIS PLANS FOR THE 24TH, IS THAT, BUT EVERYTHING ELSE IS FINE

PARRINO: OK

324-15: BUT HE SAID YOU PICK THE DAY, BUT IT NEEDS TO BE FEBRUARY 7, 8, 9,

PARRINO: OH FEBRUARY 7, 8, OR 9TH

324-15: I GUESS HE IS COMPLETELY TIED UP TILL THEN. I DON'T THINK THERE IS ANYTHING THAT I COULD DO.

PARRINO: SO WE CAN PICK THE DATE FEBRUARY 7TH 8TH OR 9TH.

324-15 YEAH

PARRINO: AT THE SAME PLACE?

324-15: SAME PLACE EVERYTHING ELSE IS JUST THE WAY YOU WANT TO DO IT RIGHT DOWN THE LINE.

PARRINO: OK, I WILL CALL AND AH THE 7TH 8TH AND 9TH WHAT DAYS OF THE WEEK IS THAT

324-15: THAT IS A WEDNESDAY, THURSDAY, AND FRIDAY

PARRINO: OK, WELL WE DON'T WANT TO DO IT ON THE FRIDAY BECAUSE WE WOULD RUN INTO NOT GETTING THE WIRE DONE AND WE WOULD HAVE TO STAY THERE. SO

324-15: I'M SURE IT COULD BE THE 6TH, 7TH, OR 8TH ANY OF THOSE DAYS ON THAT WEEK THERE. EXCEPT PROBABLY MONDAY

PARRINO: OK

324-15: WELL YOU PROBABLY GOING TO LONG BEACH ANYWAY AREN'T YOU.

PARRINO: OH YEAH SURE WHEN IS THAT, WHEN IS THAT?

324-15: THAT IS THE 1ST, 2ND, 3RD, AND 4TH OF FEBRUARY.

PARRINO: OH, AND MONDAY WOULD BE THE 5TH.

324-15: RIGHT

PARRINO: I'M TRUST TRYING TO THINK IF I COULD KNOCK IT OUT THERE.

324-15: KNOCK WHAT OUT THERE?

PARRINO: THIS, SO I DON'T HAVE TO COME HOME AND GO BACK BUT HE'S GOING TO BE BACK IN NEW YORK THAT WEEK?

324-15: YEAH AND IF YOU TELL HIM WHAT DAY YOU ALL WANT TO DO IT HE'LL ARRANGE HIS DEAL FOR THAT DAY

PARRINO: I WILL CALL AND WE'LL PROBABLY SHOOT FOR WEDNESDAY AND I WOULD LET YOU KNOW WHEN THAT IS GOOD. I GOT TO, WELL I CAN'T CALL THEM NOW I HAVE TO WAIT AFTER MIDNIGHT TO CALL.

324-15: I UNDERSTAND

PARRINO: I WILL CALL WILL GET THAT AND WILL GET EVERYTHING DONE.

324-15: EVERYTHING ELSE LIKE YOU SAID AWHILE AGO RIGHT DOWN THE LINE IS FINE WITH HIM..

PARRINO: WELL, YOU CAN'T ASK FOR MORE THEN THAT.

324-15: I'M JUST SORRY ABOUT THE DATE JAY.

PARRINO: NO, NO NO THAT'S NO PROBLEM. I DON'T THINK THAT'S A PROBLEM WITH ANYBODY. I JUST WASN'T REALLY LISTENING. SO, NO THAT SHOULD NOT BE A PROBLEM. I'M SURE IT WON'T BE A PROBLEM WITH THEM. SO, I WILL CALL WILL KEEP EVERYTHING THE WAY IT IS WILL MAKE IT THE 6TH, 7TH, OR 8TH AND THEN I WILL LET YOU KNOW.

324-15: THAT WILL BE FINE, I CAN SAY WE WILL BE GONE A LITTLE WHILE THIS WEEKEND BUT YOU WON'T CALL UNTIL PROBABLY MONDAY.

PARRINO: I CAN'T CALL UNTIL AFTER MIDNIGHT.

324-15: AH I'LL BE HERE ALL WEEKEND

PARRINO: OK, I WILL LET YOU KNOW

324-15: THANK YOU

PARRINO: THANK YOU, BYE

324-15: BYE

END OF THE THIRD TELEPHONE CONVERSATION
1/19/96 2:35PM CENTRAL TIME
****

PARRINO: I JUST WANTED TO CALL YOU, I JUST GOT OFF THE PHONE WITH THEM. THEY SAID THEY LIKE TO DO IT THIS WEEK BUT THEY DON'T CARE WHERE WE MEET. CAN IT BE DONE DOWN IN YOUR NECK OF THE WOODS OR SOMETHING.

324-15: WELL

PARRINO: THEY JUST SEEMED TO WANT TO GET IT DONE THIS WEEK, THEY DON'T WANT TO WAIT TILL FEBRUARY. THERE READY TO GO UM YOU SAID THAT, I THINK THE GENTLEMEN THAT I'M DEALING WITH ALREADY HAS THE PIECE. SO, HE SAID CAN WE MEET SOMEWHERE ELSE. I SAID WELL LET ME CHECK AND FIND OUT. SO, I DON'T KNOW BUT THERE READY TO GO THEY KINDA WANT TO DO IT THIS WEEK, AND IT DOESN'T HAVE TO BE NEW YORK.

324-15: WELL, LET ME SEE WHAT I CAN FIND OUT

PARRINO: IT'S JUST ONE LITTLE THING AFTER ANOTHER.

324-15: YEAH, I CAN'T IMAGINE, BUT AH

PARRINO: I CAN'T EITHER ACTUALLY BUT

324-15: I MEAN AFTER ALL THE STUFF ABOUT NOT EVEN COMING TO THE UNITED STATES AND THAT MEETING ANYWHERE ELSE.

PARRINO: WELL, I THINK, I THINK JACK THAT THEY REALLY NEED THE MONEY. I THINK WHERE THE REALLY WANT TO SELL IT OR WHATEVER BUT IT'S NOW IN THE HANDS OF SOMEBODY ELSE. THE GUY THAT I'M TALKING TO. I DON'T KNOW HOW MANY PEOPLE ARE ON BUT HE BUT I ASSUME THAT HE PHYSICALLY HAS IT YOU KNOW HE JUST DOESN'T WANT TO GO BACK TO THEM AND TELL THEM ITS GOING TO BE FEBRUARY. HE SAID WILL DO IT ON ONE OF THOSE THREE DAYS. IF WE HAVE NO OTHER OPTIONS. BUT HE SAID, I MUCH RATHER DO IT EVEN IF WE MEET SOMEWHERE ELSE. SO IT THOUGHT, I DON'T KNOW, YOU MENTION WHERE YOUR GUY LIVES, I THOUGHT HECK WE COULD DO IT RIGHT THERE. OR SOMETHING OR WHATEVER. UM BUT IF YOU WANT TO CHECK ON IT AND CALL BACK. THERE UM, THEY SAID HE WOULD BE THERE ALL DAY TO DAY IF HE CAN FIND SOMETHING OUT.

324-15: WELL LET ME SEE WHAT I CAN FINE OUT. IT MAY BE IT MAY BE TOMORROW BEFORE I CAN FIND OUT.

PARRINO: WELL, OK , WELL WHEN EVER IT IS THAT'S WHEN IT HAS TO BE. THAT'S FINE EVERYTHING IS FINE. I GUESS THEY ALL HAD THERE TICKETS AND THERE ROOMS FOR THE 24TH. HE SAID THAT'S NO PROBLEM CANCELING THAT BUT HE SAID THAT THEY JUST REALLY HATE TO WAIT TILL FEBRUARY NOW CAN THEY MAYBE DO IT SOMEWHERE ELSE. AND I SAID WELL THAT'S A POSSIBILITY, HE SAID IF WE CAN'T WILL JUST DO IT THERE. BUT IF WE CAN IT WILL BE ALLOT BETTER AND ALLOT EASIER JUST TO DO IT HERE OR DO IT THIS WEEK. THE SOONER THE BETTER APPARENTLY. BUT ANYWAY YOU CHECK AND WHEN YOU KNOW JUST GIVE ME A CALL OR JUST LEAVE ME A MESSAGE AND THEN I CALL HIM AND AH. IF WE CAN'T WE CAN'T BUT IF WE CAN THAT' S WHAT THEY WOULD RATHER DO. I THINK HE'S NERVOUS ABOUT HE GOT ALL THIS RESPONSIBILITY. I THINK THEY HAVE GIVEN HIM THE PIECE AND HE IS RESPONSIBLE FOR IT, AND I DON'T, I THINK HE JUST WANTS IT OUT OF HIS HANDS.

324-15: HE JUST LIKE CARRYING IT AROUND OR WHATEVER.

PARRINO: THAT'S RIGHT, THAT'S EXACTLY RIGHT ANOTHER WORDS I DON'T KNOW WHAT HIS ARRANGEMENTS WERE. THEY HAD TOLD HIM THE PIECE DOES NOT LEAVE YOUR HANDS. YOU RESPONSIBLE AND I JUST DON'T THINK HE WANTS TO JACK WITH IT. IT MAY NOT EVEN BE THE PEOPLE IT MAY BE HIM.

324-15: OH OK

PARRINO: IF WE CAN CHANGE IT, IT WOULD BE GREAT, IF WE CAN'T WE CAN'T BUT BECAUSE I DON'T KNOW YOU GUYS SCHEDULE. I ASSUME HE'S GOT A BUSY SCHEDULE.

324-15: HE'S GONE ALL THE TIME REALLY

PARRINO: THAT'S WHAT I FIGURED

324-15: USUALLY WHEN I TRY TO GET A HOLD OF HIM. IT TAKES ME ABOUT AH PHONE CALL TO A PERSON AND THEN HE HAS TO CALL SOMEBODY ELSE AND THEN IT RIGHT DOWN THE LINE. ANYWAY I'LL SEE WHAT I CAN DO.

PARRINO: OK AS SOON AS YOU GET A HOLD OF HIM, GIVE ME A CALL. IF ITS YET TODAY IT WILL BE BEST IF YOU CAN'T WILL DO IT TOMORROW. BUT IF WE CAN DO IT THIS WEEK. I THINK IT WILL MAKE EVERYBODY HAPPIER. OK

324-15: OK, I'LL DO MY BEST

PARRINO: SORRY TO BOTHER YOU

324-15: NO, NO, I HAVE BEEN UP FOR TWO HOURS

PARRINO: OH OK, ALRIGHT, I'LL WAIT TILL I HERE FROM YOU.

324-15: ALRIGHT

PARRINO: ALRIGHT,

324-15: THANK YOU BYE

THIS IS THE END OF THE FOURTH TELEPHONE CONVERSATION

1/21/96 9:08 AM
****

324-15: HELLO

PARRINO: JACK, JAY

324-15: YES, I CALLED FOR YOU A COUPLE OF TIMES AND THEY SAID THEY WERE PAGING YOU

PARRINO: UH UH

324-15: DID YOU EVER GET THE MESSAGE?

PARRINO: I JUST GOT THIS ONE MESSAGE IT SAYS AT 2:30PM

324-15: RIGHT

PARRINO: RIGHT

324-15: UH ANYWAY I FINALLY I DIDN'T GET TO TALK TO THE GUY

PARRINO: RIGHT

324-15: I TALK TO THE GUY I ALWAYS TALK TO, WHICH IS HIS RIGHT HAND MAN, WHATEVER YOU WANT TO CALL IT.

PARRINO: RIGHT, OK

324-15: AND AH HE REALLY IS UPSET THAT THINGS KEEP CHANGING, OF COURSE YOU KNOW, YOU OR I ARE KINDA OF STUCK IN THE MIDDLE. ON THIS DEAL

PARRINO: YES I KNOW

324-15: YOU UNDERSTAND

PARRINO: YES

324-15: UH HE IS ON A SKIING TRIP IN COLORADO RIGHT NOW. THERE IS NO WAY THAT I CAN PHYSICALLY TALK TO HIM UNTIL ABOUT NOON TOMORROW.

PARRINO: WELL, THEN WE CAN'T DO ANYTHING UNTIL NOON TOMORROW

324-15: UH BUT, UH THE GUY I TALK TO SAID HE IS REALLY APPREHENSIVE ABOUT CHANGING, YOU KNOW THE DEAL KEEPS CHANGING AND CHANGING

PARRINO: YEAH I KNOW BUT HE HADN'T CANCEL OUT IT WOULDN'T OF CHANGE.

324-15: YEAH WELL, YOU SEE WE DIDN'T CANCEL OUT. WE WERE GOING TO GO FOR THAT. BUT WHEN I CALLED YOU BACK OR YOU CALLED BACK YOU SAID THAT THEY DIDN'T WANT TO BRING IT INTO THE UNITED STATES. WHEN I TOLD HIM THAT, THAT'S WHEN HE CANCELED OUT.

PARRINO: YEAH BUT I TOLD YOU THAT I WOULD TRY TO WORK THAT OUT BEFORE WE, BUT IT DOESN'T MATTER. WE HAVE TO DO. HE IS THE BUYER WE HAVE TO DO WHAT HE WANTS.

324-15: YEAH

PARRINO: SO, ALL YOU HAVE TO DO TELL ME WHAT HE WANTS, AND THAT'S WHAT IT'S GOING TO BE. SO, IF HE DOESN'T WANT TO CHANGE, OR IF HE DOESN'T WHATEVER THEN THAT'S THE STORY. AND THEN

324-15: WELL, HE OWES ME SOME FAVORS, AND I THINK I CAN TALK HIM INTO IT. BUT LET ME ASK YOU THIS, YOU SAID SOMETHING ABOUT BRINGING IT TO LUBBOCK OR AMARILLO.

PARRINO: WELL, HE JUST SIMPLY SAID CAN WE DO IT SOMEWHERE ELSE

324-15: OH OK,

PARRINO: HE DOESN'T CARE WHERE

324-15: WELL, THERE IS ONLY JET SERVICE IN LUBBOCK IS SOUTH WEST AIRLINES. SO, IT MIGHT BE AMARILLO.

PARRINO: AMARILLO IS FINE. I WHEREVER, WHEREVER, I WOULD SAY THAT IF WE HAVE OUR CHOICE WE OUGHT TO MAKE IT AS CONVENIENT FOR YOU GUYS AS WE CAN

324-15: YEAH

PARRINO: YOU KNOW

324-15: ARE YOU IN THE OFFICE NOW OR AT HOME?

PARRINO: I'M ON THE PORTABLE PHONE, BUT I AM, MY MOTHER IN LAWS REAL SICK AND WE ARE GOING TO BRING OVER SOME FOOD AND THEN I'M GOING TO BE HOME IN PROBABLY AN HOUR.

324-15: WHY DON'T YOU CALL ME BACK AFTER YOU GET HOME

PARRINO: RIGHT

324-15: AND I'M GOING TO TRY FIND OUT SOMETHING SOMEHOW IN THE MEANTIME.

PARRINO: OK

324-15: YOU SAY IT WILL BE ABOUT AN HOUR

PARRINO: YEAH ABOUT AN HOUR

324-15: ALRIGHT I WILL EXPECT YOU CALL

PARRINO: ALRIGHT JACK

324-15: THANK YOU

PARRINO: BYE

324-15: BYE

THIS IS THE END OF THE FIFTH CALL
1/21/96 4:13PM CENTRAL TIME

****

THIS IS THE WALDORF TAPE 02/08/96

PARRINO: HEY JACK.

324-15: HEY JAY.

324-15: NICE TO MEET YOU, HOW ARE YOU GUYS?

FENTON & CASTELETE: FINE.

324-15: HOW ARE YOU DOING?

PARRINO: HANGING IN THERE.

324-15: WELL, I HAVE A LITTLE DEAL HERE, I THOUGHT MIGHT HELP ME. THOSE ARE THE SCALES AND YOU TURN IT ON AND THE REAL ONE WEIGHS 33.4.

FENTON: IT'S FUNNY YOU SAY THE REAL ONES...

324-15: YOU BROUGHT AN EXTRA ONE TOO?

FENTON: YEAH, JUST IN CASE.

324-15: I GOT IT AT ONE OF THOSE LAS VEGAS SHOWS, IT FLUCTUATES WEIGHT BETWEEN 33.4 AND 33.5. DID YOU LAY IT ON THERE PRETTY HARD?

PARRINO: I JUST KIND OF DROPPED IT.

324-15: TURN IT OFF & ON, IT SHOULD WEIGH 33.3, 33.4. SO...

324-15: DAM IT'S REAL.

PARRINO: WELL THAT'S ONE FOR ONE, THAT'S GOOD.

324-15: CAN WE WEIGH THE OTHER ONE?

PARRINO: I SUPPOSE WE CAN.

FENTON: YEAH WELL SURE, LET ME GET THE THING OUT OF HERE.

324-15: I JUST WANT TO LOOK AT IT AND I'M GOING TO CALL.

PARRINO: I'M KIND OF ANXIOUS TO SEE IT MYSELF.

324-15: OH YOU HAVEN'T SEEN IT?

PARRINO: NO.

324-15: HOW ARE YOU DOING?

FEB 23 '96 12:26 USSS NYC BRNK FRAUD P.2/9

PARRINO: OH I'M DOING OK.

324-15: FIRST OFF I WANT TO LOOK AT IT, I MEAN THE ONLY THING I COULD LOOK FOR IS TOOLING AROUND THE DATE.

PARRINO: NO, NO.

324-15: BE MY GUEST.

PARRINO: WELL, THIS SURE IS A PLEASURE, I THOUGHT I HANDLED EVERYTHING.

324-15: HEY DOES IT HAVE THAT WEAKNESS ON THE... MY GLASSES WERE CHANGE RECENTLY AND I HAVE TO TAKE THEM OFF TO SEE UP CLOSE.

FENTON: HAVE YOU SEEN THE ONE IN THE BOOK, IT'S A PICTURE OF THAT.

324-15: YES.

324-15: IT'S A NICE COIN BUT IT'S NOT WORTH OVER FIVE HUNDRED DOLLARS.

PARRINO: WELL, WHAT CAN I SAY.

324-15: WHEN WE BOUGHT OUR 27B, I PUT IT IN MY POCKET LIKE THIS. I ONLY DRESS THIS NICE WHEN... I NORMALLY WHERE JEANS AND BOOTS AND STUFF. AND PEOPLE WOULDN'T THINK YOU HAVE ANYTHING LIKE THAT ON YOU.

PARRINO: YOU KEEP A LOW PROFILE.

PARRINO: YOU NEED TO BE CAREFUL OUT THERE.

324-15: YOU WANT ME TO TAKE THAT OUT FOR YOU?

PARRINO: THIS IS QUITE A HOTEL, I'VE NEVER BEEN HERE.

324-15: ME NEITHER, YOU SHOULD OF SEEN THE PLACE IN NEW JERSEY.

PARRINO: YOU SAID IT WAS A MANSION?

325-15: MANSION IT WAS, SOMEWHERE IN NEW JERSEY, BUT, I COULDN'T TAKE YOU BACK TO IT.

PARRINO: THEY HAVE A SPY SHOP DOWN STAIRS.

325-14: A SPY SHOP?

PARRINO: YEAH.

325-14: WHAT DO YOU MEAN, WHERE YOU CAN BUY SPY STUFF?

PARRINO: YEAH, RIGHT IN THE LOBBY, I MEAN YOU SHOULD SEE. THEY HAVE A PHONE AND IF SOMEONE LIES ON THE PHONE IT WILL TELL YOU.

324-15: YEAH, LAY IT ON THERE FIRST. LAY IT ON THERE.

324-15: GO TO ZERO AND LAY IT ON THERE, 33.4.

PARRINO: LAUGHING

324-15: NOW, CAN I LOOK AT IT OUT OF THAT?

FENTON: YEAH.

324-15: I'M GOING TO LOOK AT THE STRAIGHT THE EDGE, WHAT DO YOU THINK IT WOULD GRADE, LIKE A FOUR ?

PARRINO: I HAVE TO LOOK AT IT, I'M JUST LOOKING QUICKLY, AFTER THE LAST FIASCO I WILL SAY IT'S A FIVE. I JUST SAW A DAVID HALL, 1796 2 1/2, 2 OF FIVE. THE COIN BUCKET...

324-15: I'VE SEEN THE ONES IN THE SMITHSONIAN, YOU KNOW, A FEW YEARS AGO, I THINK I SAW ONE. THEY HAD THEM IN THERE, IN A ROOM IN THIS CASE. YOU CAN'T HANDLE IT, I GUESS SOME PEOPLE CAN, I COULDN'T.

FENTON: IMAGINE, IT'S AMAZING HANDLING THESE...

324-15: ESPECIALLY WHEN YOU HAVE HANDLED HUNDREDS OF THOUSANDS OF THESE, I'M JUST GOING TO PUT THIS ONE AWAY.

324-15: CAN I GET YOU A CHAIR?

FENTON: NO, NO.

324-15: THIS IS THE BEST LIGHT.

324-15: LAY IT THERE ON THE SCALE, AND I'LL CALL HIM.

324-15: DID YOU SHOW HIM, SHOW HIM THAT PROOF. DID YOU EVEN KNOW THE PROOF EXISTED?

PARRINO: OH YEAH, PROOF 20.

PARRINO: YOU'VE SEEN PROOF 20.

324-15: I WANT YOU TO LEAVE THAT, I'M GOING TO WIN FIVE GRAND WHEN THIS COIN EXPERT COMES IN.

FEB 23 '96 12:27 USSS NYC BANK FRAUD

324-15: I WANT YOU TO LAY THAT OUT, HE SAYS I DON'T HAVE ONE OF THOSE.

PARRINO: WHO, WHAT EXPERT IS THAT?

324-15: HE KNOWS THEY EXIST, BUT HE SAYS I DON'T HAVE ONE.

324-15: I WANT TO CALL HIM UP. I JUST WANT TO PROVE TO THE SON OF A BITCH THAT, EXCUSE MY LANGUAGE. I'M FROM TEXAS AND I DON'T KNOW ANYWAY TO TALK. I DON'T NORMALLY TALK THAT WAY. THIS GUY IS ALRIGHT.

PARRINO: YOU CAN MAKE YOUR CALL, I'M JUST SOAKING THIS IN.

324-15: ALRIGHT.

PARRINO: ONLY FOUR COINS I'VE NEVER HANDLED AND THIS IS ONE OF THEM.

324-15: JUST LAY IT ONE THE SCALES OR WHATEVER AND I WANT TO HIM TO SEE THAT SON OF A BITCH.

PARRINO: IT'S MUCH NICER THEN I THOUGHT.

324-14: YOU ALL JUST MIGHT AS WELL COME UP IT'S HERE AND IT'S REAL.

324-15: THIS GUY THAT YOU ARE GOING TO MEET IS REALLY AN ECCENTRIC GUY, SO DON'T PAY ANY ATTENTION TO HIM. I JUST MET THIS COIN EXPERT LAST NIGHT, HE'S A YANKEE. THE OTHER GUY IS FROM TEXAS SO...

324-15: FIVE GRAND, YOU KNOW I DON'T HAVE FIVE GRAND, BUT I KNOW THAT HE DOES. I DON'T NEED FIVE GRAND BECAUSE I HAVE THIS.

324-15: LET ME ASK YOU THIS, IF WE NEED TO DO THIS, CAN'T WE DO THE DEAL THAT YOU WERE TALKING ABOUT? MAKE IT LEGAL? WE OR HE WILL PAY THE 50 GRAND.

PARRINO: WELL, IT'S A VERY INTERESTING THING. WHAT WOULD YOU FEEL WOULD HAPPEN TO THE VALUE OF THIS? IF IT WAS LEGALIZED. I HAVE SOMEONE WHO COULD DO THIS FOR FIFTY THOUSAND DOLLARS. HE COULD DO THIS OR HE GETS NOTHING AND HE IS THE BEST. HE KNOWS ALL ABOUT THE COIN.

FENTON: DOUBLE.

324-15: DOUBLE THE VALUE?

FENTON: OH YES!

FEB 23 '96 12:28 USSS NYC BANK FRAUD

324-15: WE WILL PAY MORE THAN 50 GRAND IF IT TAKES IT, WHAT CAN I SAY ?

FENTON: I DON'T THINK THERE ARE REALLY VERY MANY OUT THERE.

324-15: HOW MANY DO YOU THINK THERE ARE JAY, BESIDES THE TWO IN THE SMITHSONIAN?

PARRINO: THERE IS ONE, BELIEVE IT OR NOT, IN NEW JERSEY.

324-15: RIGHT IN JERSEY.

PARRINO: RIGHT WHERE YOU WERE AT, THERE IS ONE IN NEW JERSEY FROM WHAT I KNOW.

324-15: IT'S NOT THAT PROMINENT EAST COAST COLLECTOR IS IT?

PARRINO: NO, NO.

324-15: HAVE YOU SEEN IT?

PARRINO: NO, I HAVEN'T SEEN IT, BUT A GOOD FRIEND OF MINE HAS SEEN IT AND IT'S IDENTIFIABLE. BECAUSE THERE IS SUPPOSE TO BE LIKE THREE LITTLE TRIANGLE HITS RIGHT AT THE TOP OF THE WING. HE SAID IF YOU EVER SAW IT, YOU WOULD KNOW THAT IT IS THE COIN. OTHER THAN THAT ONE, EVERYTHING ELSE I HAVE EVER HEARD IS JUST RUMOR.

324-15: JUST A RUMOR?

PARRINO: YEAH

324-15: BUT, YOUR FRIEND HAS SEEN THAT OTHER ONE?

PARRINO: YES.

324-15: I THOUGHT YOU'D SEEN IT?

PARRINO: NO, I NEVER DID SEE IT.

324-15: THAT'S JUST A RUMOR, OH, EXCUSE ME, I'M SO EXCITED I CAN'T STAND IT.

PARRINO: YOU SHOULD BE.

PARRINO: WHAT A COIN.

324-15: IT SHOULD RETURN TO ZERO YOU... IF YOU COULD PUT IT BACK IN THERE, IF YOU WOULD, I THINK THAT THIS GUY IS ON HIS WAY. THERE ARE SOME PEOPLE THAT ONLY USE THERE OWN GLASS.

FENTON: SURE.

FEB 23 '96 12:29 USSS NYC BANK FRAUD P.6/9

PARRINO: THIS SHOULD BE INTERESTING BECAUSE IN ABOUT THIRTY DAYS, I'VE GOT A PRIVATE VIEWING OF THE COLLECTION IN THE SMITHSONIAN.

324-15: REALLY.

PARRINO: ?????? HAS INVITED ME AN MY ATTORNEY TO... WE ARE GOING TO MAKE A DONATION TO GET SOME TAX BENEFITS TO TRY TO HELP ME OUT OF THIS MESS I'M IN. SO WE ARE GOING TO HAVE A PRIVATE VIEWING.

324-15: ARE THEY REALLY ON YOUR ASS.

PARRINO: IT'S UNBELIEVABLE, IT'S JUST, SIMPLY UNBELIEVABLE.

324-15: I FIGURED IT WAS THE GOVERNMENT.

PARRINO: AUDITING ME FOR THREE AND A HALF YEARS. THEY CAN'T FIND ANYTHING, EXCEPT THE UPGRADING OF COINS ATTAINED ON A MARKET VALUE AND INVENTORIED AT THE MOMENT THE COIN BECOMES UPGRADED, IT'S VALUE INCREASES. THEREFORE, YOU MAY HAVE RECORDED YOUR INVENTORY. IT SHOULD BE AN INTERESTING QUESTION. IT'S A MESS, THEY'LL PICK LIKE FIVE PIECES AND THEN WILL SAY, SHOW US WERE YOU SOLD IT OR WERE IT IS WRITTEN IN THE INVENTORY. WELL, I'LL SAY HERE I SOLD IT AND THEY'LL SAY WELL NO YOU BOUGHT IT AS A 65 AND ITS SHOWING AS A 66. SO WE EXPLAIN THE WHOLE PROCESS TO THEM AND SO UNDER ARE MARKET VALUED INVENTORY. THEY SAY THE VALUE OF THAT COIN INCREASED. NOT WHEN YOU SELL IT BUT AT THE MOMENT IT'S IN A HIGHER HOLDER. SO WE HAVE HAD VIRTUALLY 10'S OF THOUSANDS OF SUBMISSION INVOICED AS PROOF.

PARRINO: IT WAS FOUR OR ELEVEN EIGHTS IT WAS DOWN TWO DOLLARS.

324-15: I TALKED TO MARTY, SHE SAID SHE DIDN'T GET THE LITTLE PACKAGE. YOU SEND IT OFF?

PARRINO: YOU'LL HAVE IT TODAY, I HAVE TO APOLOGIZE.

324-14 WELL.

PARRINO: SHARON MAILED IT OUT LAST NIGHT.

324-15: THIS IS THE WAY YOU SEE ME DRESSED, I DON'T EVER...

PARRINO: LAUGHING

UNDERCOVER AGENTS ARRIVE ***

UC BUYER: WE PROBABLY WONT BE HERE TO LONG RIGHT?

FEB 23 '96 12:30 USSS NYC BANK FRAUD

PARRINO: NO.

UC EXPERT: I HOPE WERE'RE NOT.

324-15: JUST LAY IT UP ON THE SCALE AND LET HIM SEE IT.

324-15: THEY GO 33.4 AND 33.5, I KNOW YOU HAVE YOUR OWN GLASS SO FEEL FREE GO AHEAD BECAUSE YOU MIGHT NEVER IN YOUR ENTIRE LIFE GET A CHANCE TO HANDLE ONE OF THOSE. NOT MANY PEOPLE GET TO SEE ONE OF THOSE.

PARRINO: THAT'S FOR SURE.

UC EXPERT: THAT '33 THERE?

324-15: IT'S AUTHENTIC RIGHT.

UC EXPERT: YOU DON'T SEE A THING LIKE THIS EVERYDAY.

PARRINO: I LOOK AT IT VERY THOROUGHLY AND IT HAS ALL OF THE CHARACTERISTIC.

324-15: LET ME GET THAT SUCKER, HE WAS RIDING MY ASS LAST NIGHT.

324-15: YOU DIDN'T THINK A COUNTRY BOY LIKE ME COULD HAVE ONE.

UC EXPERT: I DIDN'T THINK YOU HAD THAT KIND OF WOOD.

324-15: I'M A GOOD COUNTRY BOY AND BUSINESS GUY, I SOLD IT TO MY FRIEND HERE.

UC EXPERT: VERY NICE, VERY NICE.

324-15: WELL THERE IS NO SENSE KEEPING YOU ANY LONGER. I KNOW YOU GOT THINGS TO DO.

UC BUYER: YOUR HAPPY WITH IT?

324-15: YEAH.

UC EXPERT: I'M HAPPY WITH IT.

324-15: WE CAN WIRE THE MONEY.

UC EXPERT: DO YOU WANT ME HERE TO STICK AROUND OR?

UC BUYER: AS LONG AS YOU ARE CONVINCED?

324-15: HERE HIS WIRING INSTRUCTIONS IN CASE YOUR OFFICE SCREWED UP. JUST MAKE THE CALL YOU DON'T...

?????: I WANT TO SAY GOODBYE

FEB 23 '96 12:30 USSS NYC BANK FRAUD

P.8/9

UC EXPERT: HEY BOSS, I DON'T KNOW IF I SHOULD BE PRIVY TO YOUR DEAL?

UC BUYER: AS LONG AS YOUR CONVINCED.

UC EXPERT: I'M HAPPY.

UC BUYER: THEN I'M HAPPY.

UC EXPERT: WELL THEN I'M GOING TO DOWN TO THE LOBBY. I'LL SEE YOU THERE. GOOD LUCK JACK SEE YOU AGAIN.

324-15: JUST DON'T FORGET THE FIVE GRAND.

FEB 23 '96 12:31 USSS MC BANK FRAUD

US SECRET SERVICE
NEW YORK, NY

JAN 11 6 26 AM '96

ASAIC-CRIM
ASAIC-PROT
AT-BANK FRAUD
AT-COUNTERFEIT
AT-CREDIT CARD/WA
AT-FORGERY
AT-ID
AT-JFK
AT-PROTECTION
AT-SI/ASSET
AT-SPECIAL OPS
AT-TELECOM
BRANCH CHIEF-TSU
ADM/OM
AO/AAO
OTHER

"MAIL MESSAGE"
ATTN: NEW YORK CITY FO

PRINTED: JAN 10, 1996 3:12 PM EST
STATION: *GVP4917
SEQ # : JAN10.1316
ATTEMPT: 1

POSTED: WED, JAN 10, 1996 3:12 PM EST
FROM: URL
TO: LUB, SIS, NYC
CC: DAL, KCM, JAX
SUBJ: JAY PARRINO, ET AL

I-MSG: KKJG-2092-3/94

//PRIORITY//

FROM : ORLANDO RO FILE: 324-816-5537-S
CASE TYPE: 816.040

TO : LUBBOCK
SI & SD (ATTN: SA ENSMINGER)
NEW YORK (ATTN: SA DON DILLARD)

INFO : DALLAS
KANSAS CITY
JACKSONVILLE

SUBJECT : JAY PARRINO, ET AL.

SYNOPSIS:

ON 1/4/96 AND 1/5/96, CI-324-15 MET WITH SUSPECT JAY PARRINO TO DISCUSS TH ARRANGEMENTS FOR THE PURCHASE OF A 1933 $20 GOLD ST. GAUDENS LIBERTY HEAD DOUBLE EAGLE COIN. THE SALE WILL TAKE PLACE IN NEW YORK CITY BETWEEN 1/16 AND 1/19/96.

NO FURTHER INVESTIGATION IS ANTICIPATED IN THE ORLANDO, FL, DISTRICT.

CASE IS CONTINUED IN ORLANDO PENDING RETURN RECEIPT OF REGISTERED MAIL.

INTRODUCTION:

REFERENCE IS MADE TO LUBBOCK RA MSG. #SKJF-2088-5084, DATED 12/21/95, REQUESTING THE ASSISTANCE OF THE ORLANDO RO TO RECORD AND MONITOR THE UNDERCOVER MEETING.

REFERENCE IS ALSO MADE TO ORLANDO RO MSG. #OKJG-2092-16/2, DATED 1/9/96. A

INSTRUCTIONS.

CASE IS CONTINUED IN ORLANDO PENDING RETURN OF REGISTERED MAIL RECEIPT ACKNOWLEDGING LUBBOCK HAS TODAY AS INVENTORYED AND RECEIPT OF A COPY OF THE EXECUTED SSF 1544 (PART 1) FROM LUBBOCK.

ORLANDO RO MCKENNA/JOHNSON

WARNING AND CONSENT TO SPEAK

WARNING OF RIGHTS

You must understand your rights before we ask you any questions.

You have the right to remain silent.

Anything you say can be used against you in court, or other proceedings.

You have the right to talk to a lawyer for advice before we question you and to have him with you during questioning.

If you cannot afford a lawyer and want one, a lawyer will be appointed for you by the court. If you decide to answer questions now without a lawyer present, you will still have the right to stop the questioning at any time. You also have the right to stop the questioning at any time until you talk to a lawyer.

I have read this statement of my rights and it has been read to me, and I understand what my rights are.

Date 8th Feb.

Time 11.25 am.

Signature

WAIVER

I do not want a lawyer at this time. I understand and know what I am doing. No promises or threats have been made to me and no pressure or force of any kind has been used against me. I hereby voluntarily and intentionally waive my right to remain silent and my right to have an attorney at this time. I am willing to make a statement and answer questions.

Date 8th Feb.

Time 11.29 am.

Signature

CERTIFICATION

I hereby certify that the foregoing Warning of Rights and Waiver were read by me to the above signatory, and that he also read it and has affixed his signature hereto in my presence.

Witness

Signature

Witness

UNITED STATES SECRET SERVICE

SSF 1737B (1/83)

AFFIDAVIT

United States of America
Southern District of N.Y.

File No. _____

I Stephen Fenton stated that I have been advised by SA Conkling, United States Secret Service, that under the provisions of the Constitution I have certain rights: The absolute right to remain silent, and that anything I say can be used against me in the court of law or any other proceedings; that I have the right to consult with an attorney before answering any questions or making any statements, and that if I cannot afford an attorney and want one, that one can be appointed for me before I say anything; and if I decide to make any statements now, without an attorney present, I have the right to stop the questioning at any time. SCF

Knowing and understanding these rights I hereby make the following statement:

I Have owned and operated Knightsbridge Coins 43 Duke St., St. James, London, England for approximately 20 years, having been in the coin business for (30) Thirty years. As a coin dealer I do buying and selling of coins, both British and foreign. Anywhere from (5) five to (10) years ago, to the best of my recollection, I purchased a miscellaneous group of gold coins, which could have included hundreds of foreign and British coins. This purchase was made from an individual seller at my store in London. This was a routine transaction, one of possibly dozens made monthly. It was not until after the purchase, upon reviewing the lot of coins that I realized I had a 1933 $20 Gold coin which I knew to be a better date, an unusual date. Anything in the 1930's is considered unusual. →

Continue

I have read the foregoing statement consisting of _____ pages. I fully understand this statement and it is true and correct to the best of my knowledge. I have made the corrections shown.

I made this statement freely and voluntarily, without any threats, rewards or promises of immunity in return for it.

Subscribed and sworn to before me this day _____ 19 __
at _____

_____
Signature

_____
Title

_____

STEPHEN CHARLES FENTON
S C F
8/2/96

WITHIN The last two MONTHS, in speaking with a friend, who is in the coin business in Germany, MARK EMORY, I INQUIRED WITH him if he might know Anyone interested in purchasing the 1933 $20 Gold coin I had in my possession. Eventually I was given Mr. Tony PARRINO's Name. His name was familiar to me as I HAD one SMALL coin transaction with him 3 or 4 years ago AND he is considered A MAJOR coin dealer. I contacted Mr. Parrino who told me he had a possible buyer for the 1933 $20 Gold coin AND asked if he could see it. Mr. Parrino AND I arranged to meet in New York on this date, Feb, 8, 1996, AT the Waldorf Astoria Hotel, for the purpose of Mr. Parrino seeing the coin, to determine it's authenticity, and also meet the potential buyer. Upon meeting Mr. PARRINO in the ~~[illegible]~~ Lobby of the Waldorf and going to the 22nd floor of the Hotel, we entered the room of who I thought was the potential buyer of my coin. Mr. Parrino AND this gentleman, wearing jeans, determined the coin was good. Two additional gentlemen came into the room and looked AT The coin. One of these gentlemen was actually to be the buyer. Then the U.S. Secret Service came into the Room.

B.C. [illegible] 8/2/96

File No. (3)

As far As I knew, ownership of this coin, 1933 $20 GOLD Coin, was No problem in ENGLAND. BUT I was NOT SURE OF The ownership restrictions in the United States. I never inquired WITH AnyBODY ABOUT Any restrictions if ANY. MR. PARRINO NEVER OFFERED ME ANY INFORMATION ABOUT PROBLEMS WITH OWNERSHIP OF THIS COIN IN the United STATES.

I have read over the foregoing statement, consisting of 3 pages, and I have been given an opportunity to make corrections. All the facts contained herein are true to the best of my knowledge.

Sworn to before me this 8 day of Feb, 1996

Special Agent, U.S. Secret Service

Authority to Administer Oath: Section 303, Title 5, U.S.C.

WITNESSED:

AFFIDAVIT

United States of America
Southern District of New York

I, Jasper Parrino, stated that I have been advised by SA Don Dillard, United States Secret Service, that under the provisions of the Constitution I have certain rights: The absolute right to remain silent, and that anything I say can be used against me in court of law or any other proceedings; that I have the right to consult with an attorney before answering any questions or making any statements, and that if I cannot afford an attorney and want one, that one can be appointed for me before I say anything; and if I decide to make any statements now, without an attorney present, I have the right to stop the questioning at any time.

File No. 324-816-5537-S

Knowing and understanding these rights I hereby make the following statement.

Several years ago (4 or 5) Jack Moore ask me if I ever knew of a 1933 $20 for sale, he was interested in purchasing it. A month or so ago I was told by Mr. Moore I may one was available for sale. I contacted Mr. Moore, he told me he was interested in purchasing the coin - I called Mr. Fenton and arrangements were made to inspect the coin in N.Y.
I arrived here around seven P.M. and around Eight Mr Fenton called me and said he was staying at the Hilton and to call him in the morning when Mr. Moore was ready. I called Mr. Moore this morning he said to come to the room when we were ready. We came to the room, we inspected the coin and was told to wait for his client to inspect same. After a brief conversation everyone agreed and the funds were to be wired

I have read the foregoing statement consisting of 2 pages. I fully understand this statement and it is true and correct to the best of my knowledge. I have made the corrections shown.

I made this statement freely and voluntarily, without any threats, rewards or promises or immunity in return for it.

Subscribed and sworn to before me this day feb 07 19 96
at 12:15 P NYFO

Signature

Special Agent
Title

to my bank, then were to Mr Fenton's Bank. At that time the police arrived.

To my knowledge Mr Emery works for Heritage Rare Coins and Mr Fenton is from London. I don't recall ever meeting Mr Emery (although I may have once) because he was the office in Germany. He notified me afterwards that he was no longer involved with the deal to have Mr. Fenton myself - which I did.

I know of the controversy with the coin but really don't know the particulars. I have never seen one before except in photographs. There was a rumor a few years ago about another one but it was never confirmed. I did not know this was government property just not legal to own one, again, I never knew why.

2-8-96

SONNENSCHEIN NATH & ROSENTHAL

4520 MAIN STREET SUITE 1100
KANSAS CITY, MISSOURI 64111

J. Bradley Leitch
(816) 460-2457
jbl@sonnenschein.com

(816) 932-4400
FACSIMILE
(816) 531-7545

Ref. 70009840-0001

August 26, 1999

Jane A. Levine, Esq.
Assistant United States Attorney
The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, NY 10007

Re: ***U.S. v. $20 Gold Coin known as a 1933 Double Eagle –***
Subpoena of Jasper Parrino

Dear Ms. Levine:

I represent Mr. Jasper Parrino in the referenced case. I have received your letter of August 12, 1999 to David Krassner, Mr. Parrino's former counsel.

In response to your deposition request, please be advised that Mr. Parrino will testify in this matter only if he receives full immunity from any criminal prosecution related in any way to the 1933 Double Eagle. If the government is not willing to grant Mr. Parrino, he will invoke his Fifth Amendment right not to testify, particularly in light of the previous government action against him related to the 1933 Double Eagle.

Thank you for your consideration.

Sincerely,

Brad Leitch

J. Bradley Leitch

JBL:cp